Manitoba Agriculture
and Food

Annual Report
2002-2003

Manitoba

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Manitoba Agriculture
and Food

Annual Report
2002-2003

Manitoba

Minister of Agriculture and Food

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Peter M. Liba
Lieutenant-Governor of Manitoba

Your Honour,

I am pleased to submit the enclosed annual report of the Department of Agriculture and Food for the fiscal year covering the period from April 1, 2002 to March 31, 2003.

During the 2002-2003 fiscal year we worked towards advancing our vision as found in our publication entitled, *Destination 2010*. This publication is Manitoba Agriculture and Food's "strategic roadmap" for navigating our Department's resource decisions and activities for the balance of this decade. Our *Destination 2010* vision represents Manitoba Agriculture and Food's long-term commitment towards building a stronger and more sustainable agriculture and food sector.

In effect, this annual report reflects our continuing effort towards tailoring our programs and activities in striving to achieve our vision's goals. These goals involve working with our partners to establish stronger family farms, healthier dynamic rural communities, as well as a more prosperous and sustainable agriculture and food industry. In the years ahead, we will continue in this direction as a catalyst for proactive change aimed at benefiting our family farms and our industry.

In closing, I hope that the readers of our annual report will gain greater insight and awareness of our Department's programs and the clients we serve.

Yours truly,

Rosann Wowchuk

Rosann Wowchuk
Minister

Manitoba

Deputy Minister of
Agriculture and Food

Room 159
Legislative Building
Winnipeg, Manitoba CANADA
R3C 0V8
(204) 945-3734

Honourable Rosann Wowchuk
Minister of Agriculture and Food
Province of Manitoba

Madam,

I am pleased to present the annual report of the Manitoba Department of Agriculture and Food for the fiscal year ending on March 31, 2003.

During 2002-2003 our Department provided a broad range of programs and services to serve the needs of farm families and the agriculture and food sector. As you are aware, we in Manitoba Agriculture and Food continue to adapt our programs and services to meet the shifting realities of the industry. We must do so in assisting the industry to benefit from changes and trends in the global, national, and local economic environment.

Our Department remains focused on our primary corporate value, "The People We Serve -- Our Foremost Priority." We want to continue to build on this service focus and commitment in the years ahead -- knowing that our client stakeholders are the reason why Manitoba Agriculture and Food exists.

Respectfully submitted,

Don Zasada
Deputy Minister

TABLE OF CONTENTS

Title Page

Organization Chart 1
Executive, Directors and Managers 2
Preface 3
Sustainable Development Integration 6

PART A – PROGRAM AND FINANCIAL INFORMATION 8

Administration and Finance (1) 9
Minister's Salary (1a) 9
Executive Support (1b) 10
Financial and Administrative Services (1c) 11
Information Technology Services (1d) 14
Human Resource Management Services (1e) 16

Risk Management and Income Support Programs (2) 17
Manitoba Crop Insurance Corporation (2a) 17
Net Income Stabilization Account (2b) 19

Manitoba Agricultural Credit Corporation (3) 20

Agricultural Development and Marketing (4) 22
Marketing and Farm Business Management (4a) 22
Animal Industry (4b) 35
Veterinary Services (4c) 45
Soils and Crops (4d) 48
Irrigation Development (4e) 56
Food Development Centre 4(f) 57

Regional Agricultural Services (5) 58
Northwest Region (5a) 59
Southwest Region (5b) 65
Central Region (5c) 73
Eastern/Interlake Region (5d) 81
Agricultural Crown Lands (5e) 90

Policy and Economics (6) 91
Economics (6a) 91
Boards and Commissions Support Services (6b) 94

Agriculture Research and Development (7) 101
Agri-Food Research and Development Initiative (7a) 101
Agricultural Sustainability Initiative – Covering New Ground (7b) 103
Grant to University of Manitoba (7c) 107
Grant to the Prairie Agricultural Machinery Institute (7d) 108

Agriculture Disaster Aid Programming (8) 109
Canadian Farm Income Program (8a) 109

Amortization of Capital Assets (9) 110
Amortization and Software Licences Related to Capital Assets (9a,9b) 110
Interest Expense (9c) 111

Title

Page

PART B – CAPITAL INVESTMENTS 112

APPENDIX A TO APPENDIX E 114

Appendix A: Financial Information 114
Manitoba Agriculture and Food Expenditure Summary
for Fiscal Year Ended March 31, 2002 114
Manitoba Agriculture and Food Revenue Summary
by Source for Year Ended March 31, 2002 125

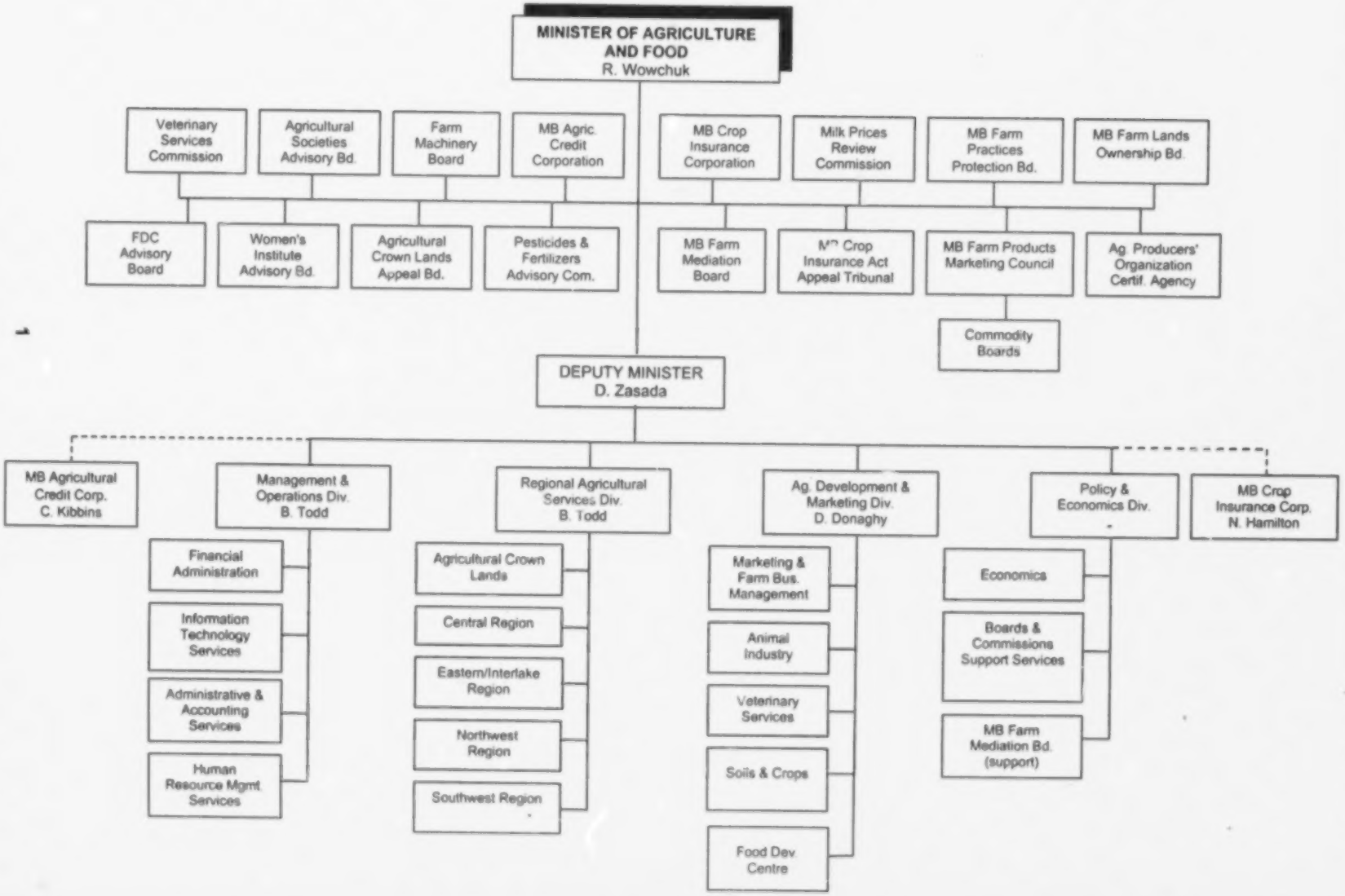
Appendix B: Historical Information 127
Manitoba Agriculture and Food Five-Year Expenditure and Staffing Summary
by Appropriation for Years Ending March 31, 1998 to March 31, 2002 127

Appendix C: Manitoba Agriculture and Food Reconciliation Statement 129

Appendix D: Manitoba Agriculture and Food Statutory Responsibilities of the Minister of
Agriculture and Food 130

Appendix E: Manitoba Agriculture and Food Elk Management Fund 131

ORGANIZATION CHART OF MANITOBA AGRICULTURE AND FOOD



MANITOBA AGRICULTURE AND FOOD

Executive

Honourable Rosann Wowchuk, Minister

D. Zasada, Deputy Minister

D. I. Donaghy, Assistant Deputy Minister
Agricultural Development and Marketing Division

B. Todd, Assistant Deputy Minister
Management and Regional Agricultural Services Division

Assistant Deputy Minister
Policy and Economics Division

C. Kibbins, General Manager
Manitoba Agricultural Credit Corporation

N. Hamilton, General Manager
Manitoba Crop Insurance Corporation

PREFACE

Purpose and Organization of the Annual Report

This report was prepared by the Manitoba Department of Agriculture and Food to summarize the activities and accomplishments of the Department during the 2002/2003 fiscal year.

There are three major sections included within this report. The first section describes the activities, expenditures and accomplishments of the Department according to sub-appropriation number.

The second section contains summary tables comparing actual 2002/2003 expenditures and revenues with budgeted estimates for the same year. The 2002/2003 figures are also compared with actual expenditures and revenues for the previous fiscal year.

The last major section includes a five-year historical comparison of expenditures and staffing by appropriation number.

Mission and Role

The Department's mission and role statements support the provincial government's commitment to improve the quality of life of all Manitobans. Manitoba Agriculture and Food is committed to the overall provincial strategic priorities of community and economic development, sustainable development and fiscal responsibility.

The mission statement defines the common goal of the Department and its staff. The role statement defines how our organization will achieve its mission. The Department's mission and role statements are as follows.

Mission
We are dedicated to creating a supportive environment that advances the greater prosperity and stability of our farm families, other agriculture and food partners, and rural communities.

Role
Within a sustainable agriculture framework we provide leadership and a range of information, programs and services in support of our mission.

Our Vision

The publication entitled, *Destination 2010,* includes the Department's vision for the balance of this decade. This vision provides an overview of a desired and achievable state of the province's agriculture and food industry – and ourselves as an organization – by the year 2010. The vision stated below declares what this Department is striving to achieve while working with our farming and industry partners.

- Our farm families, agriculture and food partners and rural communities will achieve a higher quality of life by becoming more prosperous and economically stable.

- Manitoba's agriculture and food sector will be more profitable and competitive through expanded diversification and adding value, a growing livestock sector, and greater market orientation – all within a sustainable agriculture framework.

- Our rural communities will be more healthy and dynamic through expanded local economic and employment opportunities, based on a growing agriculture and food sector.

- Our Department will be the leading-edge provider of unbiased technical and up-to-date information to our clients.

Philosophy and Values

The Department's philosophy and values are based on a fundamental caring commitment to people — our clients and our employees. This caring commitment as found in the following statements has stood the test of time. These statements define who we are and our attitude towards others.

The People We Serve — Our Foremost Priority

The people we serve is why our Department exists.

We work together as a team with our clients to advance our province's agriculture and food industry.

The people we serve range from farm families, food processors, consumers, and Cabinet, to other government departments and to our fellow employees.

Our Best Job Performance

We, as employees, are committed to giving our best job performance every day with pride and professionalism.

We Are One Organization

We all share a commitment to our Department, a greater whole, that takes precedence over any of its parts.

Similarly, we all share a greater commitment to the Government of Manitoba and its priorities.

At all employee levels we strive to understand our roles within our Department's overall mission, goals, beliefs and values.

We Are Public Trustees

We are entrusted with managing funds and other resources owned by the public we serve.

At all employee levels we are committed to ensuring that we make the most effective and efficient use of the public resources entrusted to our care.

Within our organization's philosophy and values the primary statement we adhere to is our commitment to "The People We Serve – Our Foremost Priority". In effect, this client-focused

commitment serves as the foundation that our other beliefs are built upon. Throughout the decades Manitoba Agriculture and Food's strategic priorities have undergone considerable change. But our primary commitment has essentially remained the same – and no doubt will continue to remain so in the long-term future.

Motivation, Morale and Recognition

Manitoba Agriculture and Food has a Motivation, Morale and Recognition Strategy to meet the needs of staff and address the challenges of public sector organizational culture. A formal peer recognition program forms the basis of the strategy. Under the program, individuals or teams of employees are recognized and rewarded for their achievements. The Working Together for Success Committee, in charge of this program, annually invites department members to nominate fellow employees for special recognition and celebration. Recognition is awarded by peers -- and not from "the top down." Department staff members on the committee develop the award criteria, choose the number and types of awards and vote on the winners.

The Department uses its Motivation, Morale and Recognition Strategy, as well as other measures, to motivate staff and boost morale ultimately based on service improvement for the benefit of the Department's clients.

Home Page

The Department's annual report can be found on Manitoba Agriculture and Food's home page address at www.gov.mb.ca/agriculture/. The 2002/2003 annual report on this web site includes a French language version for the Minister's introductory letter, the Deputy Minister's introductory letter, Preface, Sustainable Development Integration, and the narratives of each Branch/Region/Corporation.

Sustainable Development Integration

Under *The Sustainable Development Act*, each Department is required to integrate into its annual reporting process, information about progress made in incorporating sustainable development into its activities.

A sustainable agricultural environment involves preserving and enhancing the province's natural resources; including its soil, water, air, and native flora and fauna. The long-term well-being of farm families and rural communities will require an integrated environmental, social and economic approach to agriculture. Consequently, what the Department does today, and what it will continue to do in the future is to conform, in part, with the *Principles* and *Guidelines* of Sustainable Development as provided for in the Act.

Each Branch/Region of the Department has included a section on their sustainable development activities throughout the Annual Report. The following Principles of Sustainable Development have been considered by each Branch/Region in reporting on their sustainable development activities:

Integration of Environment and Economic Decisions: to meet the intent of Principle #1, the Department must ensure that:

(a) its economic decisions and activities adequately reflect environmental, human health and social effects; and that

(b) its environmental and health decisions, activities and initiatives adequately take into account economic, human health and social consequences.

Stewardship: to meet the intent of Principle #2, the department must ensure that:

(a) its plans, policies, and decisions ensure the economy, the environment, human health and social well being are managed for the equal benefit of present and future generations; and that

(b) its decisions are balanced with tomorrow's effects.

Shared Responsibility and Understanding: to meet the intent of Principle #3, the Department must ensure that:

(a) it takes responsibility for sustaining the economy, the environment, human health and social well-being and be accountable for its decisions and actions in a spirit of partnership and open co-operation with all Manitobans;

(b) its decisions and activities reflect Manitoba's shared common economic, physical and social environment;

(c) it understands and respects differing economic and social views, values, traditions and aspirations in its decision making and activities; and that

(d) it considers and reflects in its decisions and activities the aspirations, needs and views of the people of the various geographical and ethnic groups in Manitoba, including aboriginal peoples to facilitate equitable management of Manitoba's common resources.

Prevention: to meet the intent of Principle #4, the Department must ensure that:

(a) its activities and decisions and legislation anticipate, and prevent or mitigate, significant adverse economic, environmental, human health and social effects; and

(b) have particular careful regard to its decisions and actions whose impacts are not entirely certain but which, on reasonable and well-informed grounds, appear to pose serious threats to the economy, the environment, human health and social well-being.

Conservation and Enhancement: to meet the intent of Principle # 5, the Department must ensure that:

(a) its activities and decisions maintain the ecological processes, biological diversity and life-support systems of the environment;

(b) that renewable natural resources are harvested on a sustainable yield basis;

(c) that those persons who have been allocated provincial resources make wise and efficient use of them; and that
(d) its programs and activities enhance the long-term productive capability, quality and capacity of natural ecosystems.

Rehabilitation and Reclamation: to meet the intent of Principle #6, the Department must ensure that:
(a) it actively endeavours to repair or have repaired damage to, or degradation of, the environment; and
(b) that the Department builds into its future allocations and plans for the use of resources the requirement to rehabilitate and reclaim areas and resources which may be damaged.

Global responsibility: to meet the intent of Principle # 7, the Department must ensure that:
(a) it thinks globally when acting locally, recognizing there is economic, ecological and social interdependence among provinces and nation; and that
(b) it works co-operatively, within Canada and internationally, to integrate economic, environmental, human health and social factors in decision making while developing comprehensive and equitable solutions to problems.

PART A

PROGRAM AND FINANCIAL

INFORMATION

Administration and Finance (1)

The Administration and Finance Division assists the Department in planning operational policies and programs. It ensures that the Department's activities are implemented efficiently and effectively. It also provides central support service to management and staff.

During 2002/2003, the organization components within this Division were Financial and Administrative Services, Information Technology Services, and Human Resource Management Services.

Minister's Salary (1a)

This expenditure provides additional compensation to an individual appointed to the Executive Council.

1 (a) Minister's Salary

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
Salaries and Employee Benefits	28.4	1.00	28.4	-	
TOTAL EXPENDITURES	28.4	1.00	28.4	-	

Executive Support (1b)

Executive Support is responsible for providing leadership, direction, and communication in the effective implementation of Department-wide goals and priorities. A key responsibility of this organizational unit is to advise the Minister on strategic and program options in compliance with government policies. Executive staff also ensure that all Department resources are allocated in accordance with government policies and priorities. The assurance of value for money and efficient and effective program delivery, remained a major priority of Executive Support.

1 (b) Executive Support

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	438.6	9.00	513.5	(74.9)	
(2) Other Expenditures					
-Grants/Transfer Payments	5.0		15.9	(10.9)	
-Other	57.3		46.7	10.6	
Total Other Expenditures	62.3		62.6	(0.3)	
(3) Policy Studies	45.0		71.2	(26.2)	
TOTAL EXPENDITURES	545.9	9.00	647.3	(101.4)	

Financial and Administrative Services (1c)

The Financial and Administrative Services Branch provides financial management and administrative support to Manitoba Agriculture and Food (MAF) programs. This support is provided by Administrative and Accounting Services, as well as the Financial Administration unit.

The Branch is involved in directing, developing, and administering financial support systems, financial planning, control, management, and reporting systems in the Department. With the implementation of SAP, and the subsequent decentralization of financial authority and operational responsibility, the Branch has developed an interim comptrollership framework resulting in controlled processes being implemented for the Department. This initiative will further ensure the efficient utilization and administration of the Province's fiscal and human resources within MAF.

The Financial and Administrative Services Branch also provides leadership and strategic direction to Service Manitoba and Treasury Board initiatives, such as Better Methods, Manitoba Measures, and Sustainable Development Procurement.

Administrative Branch staff process revenue and central based expenditures in accordance with legislative, departmental, and Treasury Board requirements. As well, staff manage and provide coordination for the procurement card process; departmental assets; departmental fleet vehicles; parking program; physical accomodations including equipment; requests under *The Freedom of Information and the Protection of Privacy Act* (FIPPA), which involved processing 32 applications; records management program; summer and part-time student program; administration of contracts and processes including the Agricultural Sustainability Initiative (Covering New Ground) which involved 50 agreements and the Irrigation Development Program involving nine agreements; the Elk Management Fund; and workplace safety and health activity for the department. Staff coordinate and edit the Department's Annual Report, the Legislative Estimates Debate, Supplementary Information for Legislative Review. Staff also coordinate the Programs and Services on the MAF website.

Staff continued to support the French Language Services Plan by coordinating and monitoring departmental publications for translation, including publications for the Manitoba Crop Insurance Corporation (MCIC) and the Manitoba Agricultural Credit Corporation (MACC), to ensure that agricultural services are offered to producers in various French language designated areas throughout Manitoba.

Accounting Services processed expenditure and transfer payments involving MCIC, Net Income Stabilization Account, Accommodation and Cost Recovery, Manitoba Telecom System, Mail Management Agency, Desktop, procurement cards, and other special payment requests such as the Manitoba Farm Disaster Assistance Program, Canada Manitoba Adjustment Program 2, and Agricultural Income Disaster Assistance. Approximately 3,000 transactions in operating and capital expenditures were processed by Accounting Services, along with branch/division audits and year-end accrual entries. All payments were processed electronically, resulting in an average process time of five days with an error rate of less than one percent.

The Financial Administration unit provides management, financial, program, and related systems research and analysis for the Department, Cabinet, and Treasury Board on a timely basis. Staff compile annual estimates, quarterly cash flows, capital supply estimates, management reports, fund transfers, and financial information for various information requirements needed for the Annual Report, Treasury Board reviews, and the Legislative Estimates Debate within established time frames. Staff also provide cash management support for the coordination of cost centre and internal order development.

Sustainable Development

In 2002/2003, the Administrative and Accounting Branch staff participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development:

To meet the intent of Principle #2, Stewardship, the Branch participated in the following activities:

- Staff developed, submitted, and implemented a departmental Sustainable Development Procurement Action Plan in consultation with the department. The plan provided a means for establishing departmental actions and measuring progress toward the strategic direction of Manitoba's Sustainable Development Procurement Goals. The Goals were developed to provide specific actions to meet the intent of the Principles and Guidelines. The plan was submitted to Procurement Council in December, 2002.

To meet the intent of Principle #3, Shared Responsibility and Understanding, the Branch participated in the following activities:

- Staff coordinated MAF's Sustainable Development Procurement Committee, also known as the Departmental Green Procurement Team, which consists of representatives from each Branch/Region in the department, as well as MACC, MCIC, and FDC.

- The committee participated in the education and awareness of departmental staff and also monitored sustainable development procurement in the department. A Sustainable Development Procurement survey was developed by the committee in 2002, in order to determine practices, attitudes, and knowledge of sustainable development procurement, as well as of staff in the department.

- The Green Procurement Team attended the Going Green Conference in June 2002 to gather information from other organizations and their Sustainable Development Procurement activity to share with department staff. The theme of the conference was *Buy Green and Prosper – Exploring the Sustainability Benefits of Greener Purchasing and Eco-Efficient Products.*

- In July 2002, an Awareness Committee was established as a sub-committee of the Green Procurement Team, to develop a newsletter and website.

- The Green Procurement Committee attended a Green Procurement Workshop in September 2002, on sustainability and green procurement. This workshop was used to gather information in order to formulate the Departmental Action Plan.

To meet the intent of Principle #5, Conservation and Enhancement, the Branch participated in the following activities:

- In 2002/2003 the department increased their use of green products. The purchase of ethanol-blended fuel rose from 6.9 percent of total fuel purchased in the department in 2001/2002 to 10.9 percent in 2002/2003. Audio conferencing also increased, from 49,617 port minutes in 2001/2002 to 81,898 port minutes in 2002/2003, leading to decreased travel costs and fuel consumption. As well, the purchase of green products, which includes items made from recycled paper and remanufactured toner cartridges, increased by 39.9 percent in 2002/2003.

To meet the intent of Principle #7, Global Responsibility, the Branch participated in the following activities:

- **Branch staff also participated in various central government Sustainable Development Act implementation working groups, including financial management guidelines, code of practice, and regulations.**

1 (c) Financial and Administrative Services

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	801.2	15.39	802.8	(1.6)	
(2) Other Expenditures	378.8		428.3	(49.5)	
TOTAL EXPENDITURES	1,180.0	15.39	1,231.1	(51.1)	

Information Technology Services (1d)

The objective of the Information Technology Services Branch is to coordinate, plan, implement, and manage the required information technology resources to enable the Department to meet its business goals, objectives, and opportunities. Along with providing computer management services and expertise for all user levels within the Department, the Branch provides advice to senior management on all information technology related matters. This assistance is aimed at ensuring that information technology resources are applied in a strategic, consistent, and economic manner that address overall Departmental objectives.

Information Technology Services provides the Department with services such as system analysis, design and development; ongoing system maintenance; system integration; technology research and development; technology planning; and specialized hardware/software purchasing.

As the technology in the department's systems increases, there is a greater demand to strategically manage and direct these resources. Information Technology Services plays a vital role in coordinating the acquisition of technology with the establishment of information systems, to aid in the delivery of departmental programs.

During 2002/2003 staff developed a number of new systems for the Department. These include: the Vetlab Project, a veterinary laboratory system; the Broiler Chicken System, which tracked the analysis of chicken mortality during the shipment to market; MAPlanner, a Geographic Information Systems (GIS) based application, which assists in the identification of the most appropriate land for manure application and helps track historical records; and the Food Product Directory Database which supplies data to both the printed catalogue and the Internet site, and provides for direct updates to the data. As well, a number of existing systems were enhanced, such as the Prairie Livestock Environmental Database in which an input system was developed for Alberta and Saskatchewan by Branch staff, and the Covering New Ground project tracking system which had an Internet viewer subsystem developed. Three pilot projects were completed: a web-conferencing software package; a pilot intranet weather information system that uses Environment Canada Information and the current Microsoft Development Environment Software; and a hand-held device for the accurate collection of land-based data in the field utilizing GPS data.

Branch staff continued to provide support to department staff with the management of their Desktop environment and facilitating the daily workings of the Desktop Management Environment Contract. Staff also supported the Food Development Centre (FDC) network and workstations, and assisted FDC's transition into the managed environment.

Branch staff provided technical assistance in the continuing development of the Agriculture and Food website, which continues to be heavily utilized by clients. These developments include the Farm Safety Database, the Crop Residue Burn Program, and the Weekly Crop Reports.

1 (d) Information Technology Services

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	451.3	6.00	442.6	8.7	
(2) Other Expenditures	74.8		72.4	2.4	
TOTAL EXPENDITURES	526.1	6.00	515.0	11.1	

Human Resource Management Services (1e)

Human Resource Management Services is responsible for the development, implementation, administration, and monitoring of Departmental human resource programs and systems for Manitoba Agriculture and Food (MAF). Elements of these programs include: recruitment and selection; wage and salary administration; staff training and development; performance review/evaluation; employee relations; personnel records; and benefits and payrolls. In addition, the Branch provides planning and consultation, as well as human resource services and assistance to the management of the Manitoba Agricultural Credit Corporation (MACC), and the Food Development Centre (FDC).

During 2002/2003, Human Resource Management Services assisted in filling 52 positions, including 47 for MAF, three for MACC, and two for FDC. The Branch also assisted with the recruitment of 64 summer students along with eight part-time and co-op students for temporary employment.

Staff assisted in implementing the Voluntary Reduced Work Week Program (VRW) in which 74 staff participated with a total of 622 VRW days taken.

The Branch continued to administer the Department's pay/benefits system and classification system, and to maintain payroll records for staff. Leadership for comprehensive human resource services were provided, and coordinated for MAF, MACC, and FDC.

Human Resource Management Services continued to support the French Language Services Plan through staffing to ensure that French language initiatives meet strategic needs. Agricultural programs and services are offered in French to producers in various French language designated areas throughout Manitoba.

Specialized training (versus general training) continued to be the focus, concentrating on areas such as Professional/Technical Update, Management Update, Orientation Program, Legendary Service, Workplace Hazardous Materials Information System (WHMIS) Training, CPR/Emergency First Aid, Information Technology, and SAP training. There were a total of 1,409 training days.

Branch staff assisted in the resolution of various labour relations issues in consultation with Department management, supervisors, and employees as well as Labour Relations and the Manitoba Government Employees Union.

During 2002/2003, the Human Resource units for MAF, Manitoba Conservation, and Manitoba Intergovernmental Affairs were amalgamated. Each Department maintains on-site Human Resource Management Services, however, the Pay and Benefits section for all three departments is at the same location.

1 (e) Human Resource Management Services

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	261.0	5.00	283.4	(22.4)	
(2) Other Expenditures	35.6		46.8	(11.2)	
TOTAL EXPENDITURES	296.6	5.00	330.2	(33.6)	

Risk Management and Income Support Programs (2)

The main objectives of Risk Management and Income Support Programs are to: administer crop insurance and other risk reduction programs aimed at minimizing the impact that natural perils have on production; and to provide for Manitoba's contribution to an income stabilization program designed to address fluctuations in producers' annual incomes.

Manitoba Crop Insurance Corporation (2a)

The objective of the Manitoba Crop Insurance Corporation (MCIC) is to provide Manitoba's agricultural producers with effective risk management programs, primarily through insurance protection for crop losses due to natural perils.

MCIC is responsible for the development and delivery of the Crop Insurance Program as provided for in *The Crop Insurance Act.* During 2002/2003, about 13,500 producers (10,250 separate production units) were insured. Insurance was provided on 45 crops, covering about 9.1 million acres. More than 85 percent of the cultivated acres in Manitoba are covered by crop insurance.

MCIC administers the Wildlife Damage Compensation Program, whereby producers are compensated for damage to agricultural products caused by big game animals and migratory waterfowl. Compensation is also paid for domestic animals killed or injured by predators.

MCIC offers separate hail insurance to those producers who are enrolled in the Crop Insurance Program. Producer premiums cover all of the related costs, including administration.

MCIC's 2002/2003 activities and financial results are summarized in the MCIC Annual Report.

Sustainable Development

MCIC fully supports and participates in Manitoba Agriculture and Food's Sustainable Development initiative under *The Sustainable Development Act.* MCIC's accomplishments and activities are included in the Manitoba Agriculture and Food Sustainable Development Procurement Plan and Procurement Report that are submitted by the Department to Procurement Council each fiscal year.

2 (a) Manitoba Crop Insurance Corporation

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
Grants/Transfer Payments:					
(1) Administration	3,715.1	101.00	4,172.5	(457.4)	1
(2) Premiums	27,978.1		24,922.0	3,056.1	2
(3) Wildlife Damage Compensation	1,114.0		1,223.0	(109.0)	
TOTAL EXPENDITURES	32,807.2	101.00	30,317.5	2,489.7	

1. *The variance under authority was mainly due to a decrease in the severance pay obligation and lower grading costs, as well as a reduction in casual assistance and other administrative costs as a result of the government's fiscal restraints.*

2. *The variance over authority was mainly due to higher than expected insured acres, selected coverage levels, and a change in crop mix to higher value crops.*

Net Income Stabilization Account (2b)

The Net Income Stabilization Account (NISA) provides producers of grains, oilseeds, special crops, edible horticulture crops, cattle, hogs, and other livestock with comprehensive, predictable, and individually-targeted net income stabilization. The program, initiated during 1991/1992 for the 1990 farm tax year, is administered by a federal NISA Administration.

NISA assists producers with risk management, by encouraging them to set aside funds into their individual account in good years, for withdrawal in poor years. Producers may contribute up to three percent of their eligible net sales, which is matched by governments on a cost-sharing basis involving two-thirds federal and one-third provincial contributions.

In addition, farmers can contribute up to an additional 20 percent of eligible net sales to their account. These funds are not matched by governments. All producer contributions earn a bonus of three percent interest over market rate. The funding for the bonus interest of three percent is shared equally by the federal and provincial governments.

During the 2002/2003 fiscal year (2001 stabilization tax year), 20,241 Manitoba producers, representing $2.0 billion of eligible net sales, participated in the program (averaging $98,800 in eligible net sales per participant). Manitoba producers made new deposits of $37 million and provincial and federal NISA contributions for Manitoba farmers were approximately $56 million. Manitoba farmers had $575 million in NISA accounts on March 31, 2003 (averaging about $28,400 per participant). There were 6,555 producers that made withdrawals from their accounts. They withdrew $73.9 million, or an average of $11,283 per producer withdrawal.

2 (b) Net Income Stabilization Account

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	22,702.5		21,960.0	742.5	1
TOTAL EXPENDITURES	22,702.5		21,960.0	742.5	

1. *The variance over authority was due to increases in matchable deposits due to higher eligible net sales resulting mainly from higher grain prices and an increase in participation due to the federal bridging assistance to smooth the transition into the new NISA program under the Agricultural Policy Framework.*

Manitoba Agricultural Credit Corporation (3)

The Manitoba Agricultural Credit Corporation (MACC) operates under *The Agricultural Credit Corporation Act*. MACC's purpose is to participate in meeting the financial requirements of the agricultural community, thereby contributing to a vibrant Manitoba economy that is globally competitive. The Corporation meets these financial requirements by providing direct loans, operating loan guarantees, feeder association loan guarantees, and diversification loan guarantees to Manitoba farmers. As requested, MACC delivers emergency and special assistance programming to Manitobans. Special emphasis is placed on the young, beginning, and/or expanding farm operations. Equally important is MACC's role in farm diversification and value-added production, which are vital to the stability and future of many rural communities.

MACC's Young Farmer Rebate offers eligible young farmers (39 years of age and under) a two percent rebate on the first $100,000 of MACC loan principal, for each of the first five years of the loan, to a lifetime maximum of $10,000. In 2002/2003, MACC clients earned rebates totalling $1.9 million.

During the 2002/2003 fiscal year, MACC's program activity included the following:

Direct Lending	$38.0 million
Comprehensive Refinancing Loans	$ 1.0 million
Bridging Generation Initiative Loans	$ 14.5 million
Diversification Loan Guarantees	$73.6 million
Manitoba Cattle Feeder Associations Loan Guarantees	$24.4 million
Guaranteed Operating Loans	$13.4 million

MACC remained committed to providing responsive programming as Manitoba farmers continued to face many challenges and opportunities in the agriculture and agri-food industry. As a result of program reviews and consultations with stakeholders, programming modifications were made to assist farmers in the maintenance of viable operations and in taking advantage of diversification and adaptation opportunities.

MACC's specific 2002/2003 lending activities and financial data are detailed in MACC's Annual Report.

Sustainable Development

MACC fully supports and participates in Manitoba Agriculture and Food's Sustainable Development initiative under the Sustainable Development Act. MACC's accomplishments and activities are included in the Manitoba Agriculture and Food Sustainable Development Procurement Plan and Procurement Report that are submitted by the Department to Procurement Council each fiscal year.

3 Manitoba Agricultural Credit Corporation

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments:					
-Administration	4,235.2	61.00	4,490.4	(255.2)	1
-Net Interest Cost & Loan Guarantees	768.1		372.9	395.2	2
-Provision for Impaired Loans	431.9		800.0	(368.1)	3
-Special Farm Assistance	55.6		100.0	(44.4)	
-Flood Proofing Loan Assistance	88.6		156.0	(67.4)	
-Manitoba Producer Recovery Program	64.5		123.8	(59.3)	
-Project 2000 - Bridging Generations Initiative	-		549.4	(549.4)	4
TOTAL EXPENDITURES	5,643.9	61.00	6,592.5	(948.6)	

1. *The variance under authority was mainly due to positions held vacant as a result of the government's fiscal restraints.*

2. *The net variance over authority is mainly due to: a) decrease in net interest income primarily due to the impact of the elimination of the loan privilege and lower than anticipated lending activity due primarily to ½% interest rate mark-up, introduction of semi-annual compounding, and uncertainty in the agricultural economy pending outcome for Manitoba of the Federal/Provincial Agricultural Policy Framework; b) higher than anticipated activity in the enhanced Diversification Loan Guarantee program; partly offset by c) decrease in the loan loss provisions based on management's current assessment of the quality of the portfolio and scheduled loan payments.*

3. *The variance under authority is due to a revised assessment of impaired loans based on experience.*

4. *The variance under authority is mainly due to a) decrease in salaries due to delays in passing of the Appropriation Act and subsequent implementation of the program, and positions held vacant as a result of the government's fiscal restraints; and b) decrease in Manitoba Training Credit due to lower than anticipated clients completing required training and qualifying for the credit.*

Agricultural Development and Marketing (4)

The Agricultural Development and Marketing Division provides specialist services to field staff, producers, and food processors. The Branches within the Division are Marketing and Farm Business Management, Animal Industry, Veterinary Services, Soils and Crops, and the Food Development Centre.

Marketing and Farm Business Management (4a)

The objective of the Marketing and Farm Business Management Branch is to strengthen the competitive position of Manitoba's agriculture and agri-food industry in the global marketplace. In support of this objective, the Branch provides reliable and unbiased marketing and farm business management services and information, facilitates industry promotion through collaboration and alliances, and partners in building a more diversified rural Manitoba through leadership development of youth, families, and communities. The Branch is committed to excellence in information dissemination, consultation, and training. Timely delivery of programs and services is supported with media promotion, reference materials, publications, and other resources.

The Branch achieved a variety of results in the following areas during 2002/2003:

Agricultural Societies

Agricultural Societies are the longest standing organization in many rural communities. Their objectives include leadership development, improvement in agriculture, horticulture, and home living, as well as the overall promotion of the progress of agriculture.

Agricultural Societies provide a focal point to educate urban and rural constituents about agriculture. Many Agricultural Societies promote agriculture awareness through activities such as Brandon's Provincial Exhibition "Through the Farm Gate" program, Red River Exhibition's "Farm Family of the Year" program, and partnering with Agriculture in the Classroom-Manitoba on their "Amazing Grains" school tours, as well as displays and activities at fairs and trade shows.

Agricultural Societies partner with other organizations, including 4-H and the Manitoba Women's Institute, as well as Manitoba Agriculture and Food (MAF) on seminars, tours, and educational displays. Other community organizations and local governments also derive direct economic benefits from the agricultural society's activities.

In Manitoba there are 62 agricultural societies comprised of about 15,000 members who volunteer their time for agricultural society activity. It is estimated that over 160,000 people attend the fairs and exhibitions annually, generating over $1 million of revenue into rural Manitoba.

The Department provided grant assistance of $368,400 to agricultural societies for fairs, exhibitions, educational events, as well as building improvements and equipment purchases. Along with the general administration of the program, grant assistance is provided to the Manitoba Agricultural Hall of Fame and to the Manitoba Light Horse Association.

The Department is responsible for the administration of *The Agricultural Societies Act*, which includes the activities of a Superintendent. The Superintendent works in the program areas of leadership and community development with the Manitoba Association of Agricultural Societies Advisory Board, and is also responsible for the Century Farm Program.

Century Farm Program

The Century Farm Program recognizes and honours pioneer farm families who have maintained a farm in one family for 100 consecutive years.

In 2002/2003, 62 farm families received Century Farm recognition for their contribution to Manitoba's agriculture and agri-food industry. Over 1,250 Manitoba farm families have been recognized through the Century Farm Program. MAF works with the Manitoba Historical Society in determining the eligibility of the nominees.

Home Economics

The focus of the Home Economics Section is to build decision-making skills and knowledge that achieve prosperity for farm families, agri-businesses, rural organizations, and communities. These programs and services are developed recognizing that people-based decisions are key to the sustainability of family farms, value-added businesses, and rural communities.

With the current agriculture environment of financial constraints and demands for adaptation, many farm and rural individuals are faced with challenging situations. The Section supports the delivery of the Manitoba Farm and Rural Stress Line, which was established in December 2000, and funded by Manitoba Health, with Klinic contracted as the delivery agent. A directory of human resource services is accessed on the Stress Line's website. Staff also responded to client requests through a new email service. An Advisory Board provides policy and program direction.

Home Economics provides resources and programs for families and communities to assist them in dealing with stress with the topics of communications including: coping with change, crisis and loss, time management, and managing stress and change. Home Economics programs create awareness among support agencies of farm related stress issues and facilitate the building of networks between agencies.

As Manitoba farmers, age 55 and over, comprise 31 percent of the farming population, it is anticipated that 70 percent of farms will transfer ownership within 15 years. The Section worked with industry partners in developing and delivering family farm business transfer programs that are focussed on young and beginning farmers assuming management of the farm business:

1) Project 2000
   - **Chaired the Management Training Credit (MTC) committee, reviewed appropriate university, college, and departmental courses, and created and maintained the MTC course calendar. Once completed, these courses qualify farm clients for the interest rate reduction on their Manitoba Agricultural Credit Corporation (MACC) Young and Beginning Farmer loan.**

2) Family Farm Business Advisor Resources
   - **The target audience includes professionals (lawyers, accountants, insurance agents, farm management consultants/specialists, and home economists) who work directly with farm families.**

   - **Seventy-six professionals attended one of two training seminars held in Brandon and St. Andrews. Sixty-six professionals purchased a new or updated manual, CD, or Internet format, which is the most recent resource available.**

3) Farm Family Financial Decision-Making

- Development and maintenance of 14 fact sheets.
- Budget Guides related to family living costs were updated in 2002/2003. Two hundred and ten professionals and agencies requested a Budget Guide.

Support to entrepreneurial and value-added business development is a priority in helping farm families diversify their income. Section activities and resource development in support of value-added/diversification included:

- Development of a strategy for new initiatives in value-added marketing skills to complement Destination 2010 strategic objectives. Implementation of the strategy included: four staff training sessions related to marketing, improved client service, and business services.
- "Kitchen to Market Pack" (The Blue Box) – An Advisory Committee of government staff provided guidance to update 30 Blue Boxes and the related Internet pages. The Blue Box houses 112 resource pieces, of which 16 were updated.
- Educational Presentations – Six presentations were facilitated to 184 entrepreneurs and 31 in-depth consultations were provided to clients.

The Section delivered food safety and quality messages to consumers and food processors through a variety of mediums:

- "The Food Safety Connection" initiative was developed for use with community catering groups.
- Ninety-four consumer calls referred by the government's "At Your Service" information line were handled regarding food safety.
- Food Safety Feature Web Pages – Created 15 fact sheets and 48 Internet links that provided information related to consumer education, on-farm food safety, and safe processing of food products.
- "How Do We Know Our Food Is Safe?" – Program developed for Manitoba Women's Institutes and staff to educate consumers with science-based information about the food supply.
- Food Processing Entrepreneurs – Three client training sessions in FoodSTEPS were delivered in conjunction with Animal Industry Branch and Food Development Centre, reaching 25 food businesses.
- Member of the Canadian Partnership in Food Safety Consumer Education – 2002/2003 campaign resulted in distribution of *Fight Bac* educational materials to grades four to seven classrooms.
- "Living with Livestock Production" series – A total of 11 brochures developed in conjunction with Animal Industry Branch, Soils and Crops Branch, and other stakeholders on the topics of concern by consumers regarding livestock operations. These brochures, available in French and English, were also on the Internet.
- Risk communication skills training remains a high priority for staff, producers, and industry. Two study groups completed four training sessions, as well as two presentations, delivered to government staff and Manitoba 4-H Council. Assistance was also provided for communication plans on issues related to tuberculosis and Chronic Wasting Disease.

Leadership skills assist in the development and support of community leaders and rural organizations and businesses. Activities and resources supporting leadership skill development include:

- Department representation on the Manitoba Women's Institute Provincial Board. The Board's primary focus is on leadership development. The Manitoba Women's Institute was granted $35,300 for operations and programming. Support was provided to the 16th Manitoba Farm Women's Conference which attracted 250 participants.

- Implementation of a new initiative to develop staff skills to assist communities, including the delivery of four training events and the building of conflict resolution expertise.

- Under the mandate of the Healthy Child Committee of Cabinet, a six-month secondment to the Northern Food Prices Project resulted in a report which outlines options to reduce the high cost of food in Northern Manitoba.

4-H and Youth

The mandate of the 4-H and Youth Section is to provide a catalyst within 4-H and other rural programs in providing leadership skill development opportunities for rural youth, families, and communities. Section staff provide support to students, teachers, Agriculture in the Classroom – Manitoba (AITC-M), Manitoba Education and Training, Manitoba 4-H Council, and farm safety organizations seeking agriculture awareness and farm safety information.

The Section, in co-operation with regional and district staff, produces and distributes to 4-H participants as requested including: 18 different project series encompassing 65 4-H projects, 98 videos, handouts, books, and kits, and 34 4-H organizational and promotional resources.

Manitoba 4-H Council provides the provincial level for volunteer involvement in 4-H policy and program direction. This Council consists of 12 junior and senior directors representing six 4-H regions, MAF staff, one representative to the Canadian 4-H Council, and one Manitoba 4-H Ambassador.

The Section provides organizational support, leadership skill development training, and direct service to Council participants and programs including:

- strategic planning and goal setting
- 14 national/international opportunities benefiting 53 members and leaders, including the International Youth Entrepreneurship Project that utilizes a trade-oriented project to develop relationships between Manitoba and Durango, Mexico youth
- seven provincial 4-H leadership activities for 259 members and leaders
- Provincial Communications competition involving 105 members
- National 4-H Careers Conference, the only Canadian 4-H Council program delivered outside of Ontario, hosted 32 Manitoba 4-H members and 15 members from other provinces
- 23 scholarships
- Northern 4-H leadership development activities included 184 4-H participants in seven events
- four issues of the Banner (provincial 4-H magazine) reaching 3,500 4-H families
- 4-H web pages for both the department (25 documents) and Manitoba 4-H Council (18 documents)

The 4-H Program staff participated in three inter-governmental initiatives:

- Government-Wide Youth Initiative (MB4Youth), which has allowed MAF to connect to other government departments with a youth focus, as well as participate in youth program inventory, input into newsletters/website, and access to a student placement program
- Voluntary Sector Initiative
- Communities in Motion – Youth Capacity Building Conference

In co-operation with Manitoba 4-H Council, and stakeholders, new initiatives in Manitoba's 4-H program include:

- New resources were developed and piloted for the Livestock Judging Series.
- The Quality Equation: Quality People + Quality Projects + Quality Experiences = The Quality Equation was adopted as the 4-H program guiding principle and continues to be a focus in 4-H programming.
- Project Showcase Conference attended by 42 senior 4-H members to gain information regarding their 4-H project work. Members attended workshops on investing, entrepreneurship, leadership development, and striving for success.

Manitoba 4-H Council's Cumulative Sponsor Recognition program acknowledged sponsors who contributed both financial and in-kind to Manitoba 4-H Council, as well as 27 contributors to the Manitoba 4-H Endowment Fund Foundation. Five sponsors were honoured with Buffalo Club ($25,000 - $74,999) or White Spruce Club ($75,000 - $149,000) membership certificates.

Honouring 4-H participants is integral to the sustainability of Manitoba's 4-H program. Two hundred leadership certificates, signed by the Minister of Agriculture and Food, were presented to leaders recognizing years of service. The Minister officially recognized the 4-H program through the proclamation of Manitoba 4-H Week.

Farm and rural safety and health continued to be a focus of the Section. MAF and Manitoba 4-H Council partnered with Community Farm Safety Project and Canadian Agriculture Safety Project to develop an Age Appropriate Tasks Farm Safety Display. The goal of the display is to increase awareness and use of the North American Guidelines for Children's Agricultural Tasks (NAGCAT). The display, designed for young people eight to 12 years of age and their parents, raised awareness about making safe choices when on the farm. As well, eight Safety Activities were added to 50 Discovery Zone Boxes that are used by 4-H leaders and staff.

Student and teacher awareness of agriculture is a priority for the 4-H and Youth Section with staff working closely with Manitoba Education and Training to provide curriculum specific agricultural information and resources. A staff member is a board member of Agriculture in the Classroom – Manitoba (AITC-M). Departmental staff, in partnership with AITC-M and commodity groups, provided information on agricultural awareness to an estimated 3,400 people at seven major Manitoba events, including activities in the 4-H Discovery Zone Box.

In co-operation with departmental staff and industry stakeholders, the concept of "Where's Agriculture?", an agriculture awareness initiative, was expanded to include the development of graphics for classroom presentations, and a new page was added to the "Where's Agriculture?" website. Four thousand brochures were distributed in Manitoba, and "Where's Agriculture?" graphics continued to be used by British Columbia, Nova Scotia, and Saskatchewan agriculture awareness programs.

Farm Management

Farm Management focuses on building and strengthening producer management practices directed at maximizing business net income through effective production, marketing, human resources, and financial management activity. The Farm Management Section supports local and regional staff initiatives by providing resource materials on financial management, risk management, estate planning, and available agricultural assistance programs.

Staff maintain 36 cost of production budgets that are revised annually or periodically. In excess of 30,000 copies of these budgets were distributed to farmers, financial institutions, private sector, universities, and government staff. An Information Update series is provided on tax and legal issues, insurance, and family farm succession. Most of the Cost of Production Budgets and Information Updates are available electronically on MAF's website with 91 publications and 56 downloadable software programs under the Farm Management section. The information available on the website attracts over 7,000 hits per month.

Workshops were held with farmers on the use of FarmPlan, a farm financial and production planning software program. The farm financial plan generated is used by farmers in developing their business plan and for negotiation of farm credit. FarmPlan is used extensively by the Credit Unions in Manitoba and over 3,000 users have registered their use of this software.

Staff participated in the Manitoba Safety Nets Committee. The Committee reviewed proposals to determine the impact of the Agricultural Policy Framework (APF) on Manitoba as well as making presentations on the subject to producers.

Staff continued to be involved in the development of additional material to support the Manitoba Beef Prospects, a co-operative initiative between government and industry, to promote the strengths and opportunities in Manitoba's beef cattle industry. Consequently, a number of cattle-related share and lease agreements were developed.

The Manitoba Farm Transfer Initiative Committee continued development of the resource material *"Managing the Present . . . Planning the Future"*. This ongoing farm succession project continues as a joint effort with producers, private sector stakeholders, and the Home Economics Section.

The Young and Beginning Farmers Committee is committed to young and beginning farmers, and assistance is offered through existing programs, as well as the improvement and development of programs specifically targeted at this client group. The Committee, in partnership with the University of Manitoba, completed the "Manitoba Young and Beginning Farmer Profile" study with funding from the Manitoba Farm Business Management Council and Manitoba Rural Adaptation Council. Study results were shared internally as well as with other stakeholders within Manitoba, Canada, the USA, and the UK. The Committee also assisted with the third Recapturing Wealth on the Canadian Prairies Conference held during 2002. This conference was organized in partnership with the University of Manitoba, Farmer's Independent Weekly, Prairie Farm Rehabilitation Administration, Canadian Wheat Board, and Keystone Agricultural Producers. Over 200 attendees, including 60 University of Manitoba and Assiniboine Community College (ACC) diploma students, listened to local, national, and international speakers on revitalizing rural communities through farm and rural enterprise.

A number of electronic communication networks were used by Farm Management Specialists, including an agricultural news and market analysis service, a farm management information network, and new "Application" sharing software which allows sharing of PowerPoint presentations over distance and in a conjunction link with a teleconference.

Farm Management staff represent MAF on the Canadian Farm Business Management Council.

The Marketing Extension Team supported communication by the marketing staff, connecting with international buyers, and the field staff who have contact with producers/sellers/exporters of Manitoba's agricultural and agri-food products. In order to strengthen communication flow, a staff newsletter was created.

Staff continued to organize and develop extension resources to the Mentoring Program and Enhanced Awareness Program components of Project 2000. The Mentoring Program, designed to increase farm business management skills of Manitoba's young and beginning farmers, involved 12 regional groups, 139 participants, and 30 mentors during the year. Enhanced Awareness resources were developed highlighting MAF program services to this target group. The Beginning Generations Initiative component, announced in early 2002, required the development of administrative procedures and programming for the Management Training Credit component.

A number of inquiries relating to agricultural employment such as training, Workers Compensation, vacation, overtime, and payment of wages continued to be answered by staff.

Staff are involved in new investment initiatives, including the assessment of foreign individuals interested in agriculture operations in Manitoba. This work continues to be a joint effort in conjunction with Industry, Trade and Mines, as well as Labour and Immigration.

Farm Safety and Health

In February 2002, the Ministers of Labour and Immigration and Agriculture and Food jointly announced that a Provincial Farm Safety Coordinator would work out of the two departments to bring greater focus to agricultural safety and health issues in Manitoba. The coordinator joined the team of MAF staff that is committed to farm safety, including the Farm Safety Extension Specialist and extension staff. This approach has facilitated a strategic thrust in farm safety that has resulted in numerous initiatives:

- Development and distribution of the Farm Family Safety and Health Guide
- New farm safety and health website
- Development of safety and health presentation to the University of Manitoba's School of Agriculture
- Collaboration with the Manitoba Pork Council on development of educational resources
- Participation in the development of Pesticide Applicator and Manure Applicator certification training
- Regular media releases on major farm safety and health issues
- Development of a guideline for "Making Farms Safe for Seniors"
- Regular fatality and hospitalization data updates
- Joint news release by Ministers of Agriculture and Food, and Labour and Immigration announced Manitoba Farm Safety to coincide with Canadian Agricultural Safety Week

The Community Farm Safety Project, supported by a grant from Community Initiatives and Research Program of the Workers Compensation Board, has resulted in numerous promotional and education opportunities:

- Partnership with Manitoba Crop Insurance Corporation resulted in 11,000 information brochures and 33,000 educational stickers being distributed to contract holders. A series of four posters with farm safety messages were distributed through Manitoba Crop Insurance Corporation and MAF offices. Ninety-four percent of contract holders that responded to a survey continue receiving messages
- 3,000 visitors to the AG DAYS farm safety area received safety information
- 700 producers attended three commodity trade show events

- Community Farm Safety Project funded the development of a farm safety website as part of MAF/Manitoba Labour and Immigration websites focussing on producers, youth, and educational resource database which included an updated inventory of resources

An increase in numbers of trained community volunteers has expanded the reach of educational programs:

- 750 students and 800 families were reached through trained volunteers at six farm safety day camps
- 15 new volunteers were trained to organize 13 new camps
- 1,500 Grade Two and Grade Five students were reached through presentations by 25 trained existing ABC on the Farm volunteers. Sixty-two new ABC volunteers were trained
- 20 community volunteers attended the National Farm Safety Conference in November 2002

The Provincial Farm Safety Coordinator and Farm Safety Extension Specialist have provided leadership in national initiatives:

- Executive of Canadian Agricultural Safety Association
- Planning for National Farm Safety Conference 2003
- National Farm Safety Professional Development Seminar

Agri-Ventures

The Agri-Ventures Section focuses on new and emerging opportunities in industry development and business management through marketing capabilities and increased utilization and commercialization of agricultural commodities. Agri-Ventures staff provided consultation in industry development, business planning, pathfinding services, and referrals for financing, market information, and competitive business intelligence.

The Manitoba Agri-Ventures Initiatives (MAVI) program makes funding assistance available to facilitate industry development and business ventures that will create new uses for agricultural products, add value, and develop new markets for agricultural commodities and food production in Manitoba. Twenty-three projects received funding approval for the development of information on business feasibility, planning, and market investigation. Types of projects funded included: pulses, hemp, horticulture, cattle, hogs, organic products, new food products, agri-tourism, and ethanol.

Staff continued to support inter-government collaboration in collecting, assessing, and sharing information under the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity. Over 3,300 Manitoba companies were jointly surveyed to determine export interest as well as well as market potential resulting in information used to populate the provincial Manitoba Companies Database and shared with the Virtual Trade Commissioner information system.

Staff provided support to initiatives of technology transfer and resource development, including collaborative work on the Directory of Agriculture and Food Ventures in Manitoba and the Regional Cuisine Contact Directory.

Agri-Ventures staff provided assistance to groups involved in agri-tourism and direct farm marketing. In partnership with the national agri-tourism network, regional agri-tourism networks continued to develop business opportunities in several areas of Manitoba. The 2003 Direct Farm Marketing Conference provided 149 participants with the opportunity to learn new market trends, share marketing skills and increase business contacts.

Agri-Ventures staff provided information and assistance at events including: Ag Days, Horticulture Industry Days, Rural Forum, Ag Fibe Conference, Association of Manitoba Municipalities provincial meetings, as well as regional events. Agricultural economic development assistance was also provided to the Manitoba Herb Society, Medicinal and Aromatic Plant Association, Manitoba Seabuckthorn Growers, Manitoba Beekeepers, Manitoba Pulse Growers, Manitoba Elk Growers, Manitoba Vegetable Growers, Prairie Fruit Growers, Manitoba Forage Council, Organic Producers of Manitoba, Manitoba Country Vacations, Conseil de developpement economique du Manitoba, Canadian Organic Marketing, Manitoba Limousin Association, Manitoba Buckwheat Growers, and Manitoba Food Processors.

The Section, in partnership with the Community Economic Development (CED) Working Committee, works to support business opportunities and value-added initiatives in Manitoba communities through community and economic development organizations and agencies, regional agri-venture focus groups, Manitoba Chamber of Commerce, and local Chambers.

Staff coordinate with the French Language Services Secretariat in ensuring comparable quality service to Manitoba's French-speaking population as well as contributing to francophone community economic development, and developing linkages with francophone regions throughout Canada and the world.

Market Development and Promotion

The Market Development and Promotion Section is responsible for market development activities in Canada, the USA, Europe, and the Middle East. The Section works collaboratively with industry in strengthening existing markets and developing new markets for provincially grown and processed agricultural and agri-food products.

The Section provided information and consultation to producers, processors, marketing boards, commodity associations, staff, and industry partners for market development. Staff identified market trends and provided support for incoming and outgoing trade missions, while linking out-of-province buyer interests with Manitoba companies.

Staff assisted with 35 incoming missions from Belgium, United Kingdom, Germany, Africa, Greenland, Sri Lanka, Australia, United Arab Emirates, Iceland, Ukraine, Russia, Iran, Egypt, Denmark, the Netherlands, India, Italy, the USA, and France.

With a focus on value-added food investment and immigration, staff assisted with the participation of Manitoba companies in trade shows such as Salon International de L'alimentation (SIAL) to promote value-added food, organic products, grains, and pulse crops as well as the World Dairy Expo and the Food Marketing Institute show in the USA and the Canadian Produce Marketing Association trade show in Montreal.

Section staff partnered with industry at Ag Days, Hog and Poultry Days, Rural Forum, Association of Manitoba Municipalities and Manitoba Potato Days. In partnership with industry, staff explored market opportunities for oriental-style vegetables produced in Manitoba. Staff were involved in planning the Ag Fibe Conference held in Winnipeg.

Assessments were conducted by staff on priority and emerging markets in keeping with the Federal/Provincial Market Development Council (FPMDC) initiatives. Staff participated in the USA and European sector teams for the Canadian International Business Strategy (CIBS), providing input into the national program to reflect needs of Manitoba's agriculture and agri-food sector.

Support by staff to the Federal/Provincial Steering Committee on Investment focussed on inter-provincial coordination of activities to enhance investment in the agriculture and agri-food sector.

Staff also worked with the North American Agricultural Marketing Organization (NAAMO) to compare initiatives, programs and mechanisms to enhance effectiveness of program delivery.

Staff supported the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity, which facilitates a co-operative government and industry approach to trade development in Manitoba. MAF staff demonstrated its commitment to this collaboration through participation in the Executive Committee, Management Committee, Trade Advisory Group, and the Agri-food Trade Coordination Group. Results of the involvement included CEO breakfast events, enhanced communication, trade calendars, coordinated trade events, and use of resources.

Staff worked with the Manitoba Food Processors Association (MFPA) and the Promotions Committee of Manitoba commodity boards in promotion of Manitoba food products including the coordination of mall trade shows, representation on the Board of Directors of the MFPA, and involvement in the Manitoba Cuisine Tourism Council.

Section staff updated resource materials for the Manitoba Food Products Directory and produced a printed and web-based exporter directory for dairy and forages, display materials and food related publications such as Spirited Entertainment. The Great Tastes Initiative was continued with the program series on local television networks, as well as local print media promotion in partnership with industry and producer associations. A new video was developed highlighting the livestock, grains, and oilseeds, as well as value-added food sectors.

International Trade Section

The International Trade Section, with its geographic focus on Latin America and Asia, works collaboratively with industry, industry associations, and other governments to implement trade support and development programs in those priority markets.

The Section's primary focus is to increase trade awareness and to identify and develop export opportunities for Manitoba's agri-food products in Latin American and Asian markets and to promote investment and market connected to value chain strategic alliances in the agri-food industry. The Section provides consultation to industry, including marketing boards, producer groups, food processors, and partners. Market information and intelligence is gathered from these priority markets and information is disseminated through consultations, presentations, and reports.

The Section coordinated and participated in 27 incoming missions from Japan, China, Hong Kong, South Korea, the Philippines, Indonesia, Singapore, Malaysia, Mexico, Paraguay, El Salvador, and Chile, as well as one outgoing mission to Mexico.

Included in the trade development activities is the maintenance of close working relationships with the provincial and federal agencies of government under the umbrella of Team Canada Manitoba. In support of the Canadian International Business Strategy (CIBS), the Section also participates on the Teams for the priority markets of Mexico, Japan, Korea, and China/Hong Kong. The Mexico Border Clearance Representative (BCR) project initiated by the Mexico Development Team placed a BCR in Laredo, Texas to help facilitate the crossing of Manitoba exports into the Mexican market.

An integral part of MAF's trade development strategy is to encourage and facilitate alliances amongst buyers and sellers, as well as government agencies located within target market areas. To enhance this process, MAF, together with Manitoba Trade, developed and maintained Co-operation Agreements with various state governments in Latin America and Asia. These agreements identify activities that governments and agencies can undertake to facilitate

networking opportunities between agri-businesses leading to increased trade. Agreements were maintained with the Province of Anhui and Henan in China, State of Rio Grande do Sul in Brazil, the State of Buenos Aires in Argentina, and the States of Jalisco, Chihuahua, and Durango in Mexico.

The Internet Marketing Project continues to be a comprehensive source of export-related information. The Global Trade site promotes Manitoba agri-food products by connecting Manitoba suppliers of products with the international marketplace and facilitating the transfer of market information and intelligence to clients and customers at home and abroad. Several areas of the Global Trade site are available in different languages such as: Spanish, Japanese, Korean, Mandarin, Portuguese, Dutch, French, Farsi, Italian and German. In conjunction with the Internet Marketing Project, the Global Trade Winds newsletter was sent to contacts around the world, highlighting events and new developments in Manitoba's agriculture industry.

MAF staff, including international trade, market development, and technical specialists, continued to work with the North American Buckwheat Promotional Committee, with representatives from the Canadian Special Crops Association, University of Manitoba, Canadian International Grains Institute, Canadian Grain Commission, The Manitoba Buckwheat Growers Association, Agriculture and Agri-Food Canada and the buckwheat industry.

Support was provided by Section staff which assisted the Manitoba Pulse Growers Association in their effort to develop close ties to the Mexican Bean Congress. The Section hosted an incoming Mexican Bean Council mission and met with the Mexican Bean Council during the Ministerial Mission to Mexico. Section staff remain closely connected to this initiative and serve as a liaison between the two parties.

Section efforts on furthering trade with Mexico led to the "Mexico 1-2-3 program", which consisted of a Mexico market information session at Manitoba Ag Days and a Mexico Market Access seminar in Winnipeg featuring guest speakers from the Canadian Embassy and industry in Mexico. The program was concluded with a successful Ministerial Mission to Mexico that featured 14 representatives from Manitoba's agriculture industry.

The International Trade Section is also collaborating with the Manitoba Forage Seed Association and the Governments of Saskatchewan and Alberta on a market development plan for China. The Section introduced six incoming missions from China in 2002/2003 to Manitoba's forage seed capabilities, and efforts continue to focus on China as a market with enormous potential. Continued interest in the Chinese market led to an incoming investment mission from China. A large Chinese snack food company attended Manitoba Ag Days and participated in meetings with the Manitoba sunflower industry. This company is interested in investing in the Manitoba sunflower industry and making Manitoba its base for North American operations.

International Trade Section staff supported the International Youth Entrepreneurship Program (IYEP)/4-H program and assisted in connecting the group to partners in Durango, Mexico with whom an exchange of students took place.

Sustainable Development

In 2002/2003, the Branch participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development.

To meet the intent of Principle #2, Stewardship, the Branch participated in the following activities:

- In the *Agriculture and Food Ventures in Manitoba* directory, emphasis was placed on including companies that deal in wild harvested products and certified organic production. The northern community plays a key role in the growth and success of the wild harvested products sector, and in the organic sector, strong support has been provided to small businesses, community based businesses and co-operatives. Also, as consumers increasingly request information on food additives and the use of agriculture based chemicals, the Section supports agri-businesses that use the eco-label or the energy star symbol.

- The Market Development and Promotions Section supported greater participation of the Aboriginal community in the development of export market for a number of agricultural commodities, products and services. There is increasing market interest in organically produced commodities, particularly in the European market. As there is an increasing demand for organically produced commodities in our export markets, the International Trade Section promotes the export readiness of Manitoba organic producers to further encourage this sustainable agricultural practice.

To meet the intent of Principle #3, Shared Responsibility and Understanding, the Branch participated in the following activities:

- Manitoba's 62 Agricultural Societies are committed to providing leadership, thereby contributing to the sustainability of the social and economic structure of rural communities. This is provided through the rural fairs and exhibitions held throughout the province, as well as through Agricultural Societies hosting seminars and activities to provide information in support of sustaining the economic, environmental, and social well being of rural farm families.

- The Home Economics Section, through dissemination of information and the delivery of community-based training, contributed to the leadership and skill development of rural people. The Section also provided consumer, producer, and processor education related to the safe handling of food which encouraged stakeholders to make responsible decisions related to the safety of the food supply. The Home Economics and Farm Management Sections also facilitate the development of family farm business transfer information as well as training for farmers and professional advisors working with producers.

- The Farm Management Section provided 36 cost of production documents that provide guidance in evaluating the profitability and sustainability of the production sectors within agriculture. These guidelines are updated, and new ones are developed, when opportunities for Manitoba producers are identified. Farm Management continued to provide support for the Young and Beginning Farmers Committee, Bridging Generations Initiative, and Project 2000. The commitment to provide programming and resources to this target group is important to ensure the viable transfer of the industry to the next generation.

To meet the intent of Principle #6, Rehabilitation and Reclamation, the Branch participated in the following activities:

- The 4-H and Youth Section provides support, resources, and leadership for 236 4-H clubs in rural and northern communities, involving 4,372 youth (ages 8-19) and 1,788 volunteer leaders. The 17th annual 4-H Highway Clean-Up Campaign involved 116 4-H clubs. In total, 7,777 bags of garbage were removed from 1,374 kilometers of highway, resulting in $29,000 being raised by the 4-H clubs which was contributed by Manitoba Transportation and Government Services.

4 (a) Marketing and Farm Business Management

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,722.2	34.04	1,869.4	(147.2)	
(2) Other Expenditures	1,187.6		1,268.1	(80.5)	
(3) Agricultural Societies Grant Assistance -Grants/Transfer Payments	358.6		368.4	(9.8)	
(4) Other Grant Assistance -Grants/Transfer Payments	42.9		42.8	0.1	
TOTAL EXPENDITURES	3,311.3	34.04	3,548.7	(237.4)	

Animal Industry (4b)

The Animal Industry Branch provides technical support, specialized services, and information to regional extension staff, producers, the food industry, and consumers. These services are aimed at enhancing the development, productivity, diversification and skills of Manitoba's livestock producers and processors. The Branch also administers regulations pertaining to *The Dairy Act, The Margarine Act, The Livestock Industry Diversification Act, The Livestock and Livestock Products Act,* and *The Animal Liability Act.* The Branch is comprised of three sections: Livestock Development & Diversification, Food Quality & Product Development, and Production Quality & Safety.

All sections are engaged in comprehensive extension activities through the support and co-operation of regional extension staff. Staff attend regional producer meetings and serve as speakers or technical advisers at workshops and demonstrations. They also conduct on-farm and telephone consultations. Timely, technical information is disseminated through publications, news releases, and the media. Staff continued to upgrade Manitoba Agriculture and Food's Website, and numerous publications were made available on the Internet. The Branch worked with industry to develop their work plans for the year ensuring that the programs implemented by the Branch were focussed in areas needed by industry.

Staff are involved at the national level in the development of harmonized national legislation for food, the dairy sector regulation and code, the meat regulation and code, and on-farm food safety programs.

Livestock Development & Diversification Section

The role of this Section is to co-operate with industry to develop and deliver programs that will have maximum impact on animal agriculture and to improve extension capabilities and visibility through participation with regional staff at producer meetings. This Section administers the following acts and their regulations: *The Livestock Industry Diversification Act, The Livestock and Livestock Products Act,* and *The Animal Liability Act.* Section staff worked on updating the Elk Game Production Regulation and developing the Wild Boar Regulation.

Beef Cattle

The Beef Feeder and Feedlot Specialist and the Beef Cow/Calf Specialist provided technical support to regional staff, producers, and industry representatives. Staff were invited to speak at 62 producer meetings, providing information on management, marketing techniques, and current issues facing the beef industry. Staff provided unbiased information and assistance to new producers interested in entering the beef industry, and information was also provided through farm and phone consultations.

Staff revised fact sheets, web pages, and other extension material, and developed new and relevant information packages that were aimed at producers, to improve production and profitability parameters. Provincially coordinated activities such as tours, workshops, and extension material were made available to all groups within the industry. The focus of these activities was the productivity and sustainability of the Manitoba beef industry.

Staff maintained a computerized registry for 5,768 livestock brands. Licences were issued to 110 livestock dealers and 97 agents.

Dairy

Staff, in conjunction with the Manitoba Milk Producers Marketing Board, conducted in-depth, on-farm, milking time management consultations to assist producers in correcting elevated somatic cell count (SCC) problems and improving herd udder health.

An active program of on-farm consultations was also conducted in management areas unrelated to udder health problems. In addition, extension and training presentations were delivered to audiences of producers, staff, industry, and university/college students.

Staff were actively involved in updating and redesigning the Department's Dairy Website to be more user-friendly and informative. Cost of Production Guideline documents were also updated.

The Manitoba Milk Quality Recognition Program was administered for the 14th consecutive year. The Program recognizes producer achievements for consistently marketing high quality milk over the previous year. During the 14 years, the program has issued 3,136 certificates to deserving producers. Effective August 1, 2002 the program administration was transferred to the Manitoba Milk Producers.

In 2002/2003 staff provided technical and marketing support to the Marketing and Farm Business Management Branch to incoming Trade Missions.

Staff continued to be actively involved on a number of national and international dairy committees involving milk quality, udder health, and dairy extension.

Swine

Manitoba continued to work with the industry that produced approximately 6.7 million pigs during 2002/2003.

There were four issues of the *Manitoba Swine Update* produced by staff and distributed to Manitoba producers through the Manitoba Pork Council. Copies of the *Manitoba Swine Update* are distributed to clients throughout many regions of the world. Considerable time was dedicated to planning and organizing the Manitoba Swine Seminar, which attracted more than 350 participants. The theme of the seminar was "Sharing Ideas and Information for Efficient Pork Production" and featured a professionally prepared proceedings book. Articles from the *Manitoba Swine Update* and the proceeding papers from the *Manitoba Swine Seminar* were posted on Manitoba Agriculture and Food's Pork Website.

Staff assisted with the organization of Hog and Poultry days held in Winnipeg. The two-day trade show attracted approximately 250 exhibitors and more than 1,300 industry participants.

Staff participated in the department-wide initiative to increase swine production knowledge through producer meetings, updating cost of production guidelines, and participating in the organization of the "Western Nutrition Conference 2003". In addition, staff contributed to the development of two new fact sheets in the "Living with Livestock Production" series and contributed considerable information to the recent provincial ethanol initiative.

The rapidly expanding swine industry in Manitoba created a demand for a significant number of trained swine care workers. Staff participated on the Pork Production Training Committee, which developed the Pork Production Manager Training Program, and provided input toward the development of the Pork Production Technician Apprenticeship program. Staff were involved in providing feeding recommendations in response to requests from producers, veterinarians, and agri-business.

In conjunction with Marketing and Farm Business Management Branch staff, Branch staff provided information presentations about pig production in Manitoba for international clients from Japan, Mexico, and China.

Dairy Nutrition

Through the Dairy Nutrition Program, staff work to ensure that those involved in dairy production have access to the most current technical information on nutritional practices. The demand for nutritional services came from a variety of sources including producers, Manitoba Agriculture and Food (MAF) staff, feed company representatives, and practising veterinarians.

Practical and detailed feeding recommendations were provided in response to feed analyses, farm visits, and verbal requests. Recommendations on ration formulation and feeding practices were made by mail and telephone to producers, veterinarians, and agri-business.

Staff continued to organize and chair quarterly meetings of the Manitoba Practising Animal Nutritionists Group to increase discussion, understanding, and co-operation within the feed industry.

During 2002/2003, 43 major presentations on various aspects of nutrition were given at producer and staff meetings. Bi-monthly articles on nutrition were written for the Manitoba Milk Producers' newsletter, *Milkline*. Three issues of *Nutrition Update*, a technical newsletter prepared for department staff, veterinarians, and feed industry representatives, were published. As well, three fact sheets were either written or revised. The booklet "Extending Livestock Feed Supplies" was also revised. A major extension activity was the development and delivery of "Silage Production Workshops" in conjunction with the Provincial Cow/Calf Specialist and Provincial Forage Specialist. These one day workshops were delivered at 15 locations with over 330 people in attendance. As well, four "Cattle Nutrition Workshops" were held.

Equine

The Equine and Bison Specialist works with clients in the areas of equine ranching, light/pleasure horse, feedlot, and hobby horse industries.

Equine extension and technology transfer was carried out through staff and producer contacts. Technical information was prepared and coordinated for individual industry magazines and in response to requests from individuals.

The Equine Extension Program is designed to ensure that producers and owners of horses, breed associations, the Manitoba Horse Council, other government departments, and the general public have access to the most current technical information on the equine industry. The equine industry recognizes that industry standards and guidelines, as set out in *Codes of Practice*, inform the public about responsible animal care. This commitment led to the initiation of a National Horse Code for Canada. The Recommended Code of Practice for the Care and Handling of Horses on PMU Operations is now part of the Recommended Code of Practice for the Care and Handling of Farm Animals: Horses.

The Equine Specialist continued to meet with Linwood Ranch, an equine rancher demonstration farm, to review equine management techniques evolving from ongoing farm demonstrations.

The Equine Extension Program, in co-operation with the 4-H Program and Manitoba Equine Ranchers, has implemented a 4-H Young Horse Development Project. This project involves Manitoba Equine Ranchers with Manitoba-only bred PMU foals. The project commenced in 1998 and is continuing. Both Saskatchewan and Alberta 4-H adopted the program.

Bison

Approximately 75 percent of the Equine and Bison Specialist's time was devoted to the bison industry. The role of the Bison Extension Program is to ensure that both existing and new producers have access to the most current technical information on bison production. The demand for bison information came from producers, department staff, financial institutions, feed company representatives, veterinarians, and consulting firms. Practical and detailed bison management recommendations were provided through industry meetings, farm visits, and 656 direct producer calls as well as 109 consumer calls regarding information on bison meat products.

Staff assisted the Manitoba Bison Association in the promotion and guidance of various industry development activities. Activities included two Bison Seminars with 60 attendees, and a Bison Annual Meeting with 35 attendees. The Specialist provided extension support to the bison finishing industry. Approximately 30 percent of Manitoba bison producers are shareholders in the North American Bison Co-operative, a European Economic Community (EEC) approved plant. There are currently 180 bison producers involved in the Manitoba bison industry, of which 130 are members of the Manitoba Bison Association (MBA).

With the expansion of the bison industry, there is a growing need for service to both established and beginning producers. Emphasis on youth was a part of the bison industry development over the past year, with the organization of the first Bison 4-H Club in the province. The Branch worked with the Canadian Bison Association in the development of the Canadian Bison Association On-Farm Food Safety Program.

Elk

The Elk Specialist provided technical information on elk production to clients in the industry.

All elk registered as game production animals on licensed game farms in Manitoba have been positively identified by means of DNA analysis. In order to qualify for registration as game production animals, elk must be born on a licensed elk farm in Manitoba and have parents verified by means of DNA, or if purchased they must be able to be traced back to a legitimate elk farm in a jurisdiction recognized as an acceptable source of elk.

Elk farms are inspected on an annual basis to ensure that facilities and animals are maintained to comply with the regulations, prior to receiving a Game Production Farm Licence.

The Elk Seedstock Program has made seedstock elk, captured from the wild, available to residents of Manitoba to assist them in diversifying into elk farming. Negative status for tuberculosis was received for the progeny of the wild elk that were captured in Riding Mountain, and all of the 247 progeny that were held at Inglis were dispersed to First Nations.

In 2002/2003 85 game farms were licensed and an estimated 3,328 elk were being farmed.

Sheep

The sheep extension program ensures that both existing and new producers have access to the most current technical information on sheep production. The demand for sheep information arises from producers, department staff, feed company representatives, veterinarians, and consulting firms.

The Sheep and Goat Specialist participated on the steering committee of the Manitoba Sheep Industry Initiative, which was supported financially by the Manitoba Rural Adaptation Council Inc. (MRAC). Recommendations from the Manitoba Sheep Industry Initiative report were used to

formulate a business plan for 2002/2003. The Manitoba Sheep Association Inc. (MSA) prepared another proposal, which received funding approval from MRAC.

In co-operation with MSA, department staff participated in a number of extension meetings and field days. The Sheep and Goat Specialist is a member of the national sheep On-Farm Food Safety committee. Five presentations were given to Alberta sheep producers on sheep nutrition issues affected by drought. Manitoba's sheep and lamb industry is the sixth largest in Canada. The industry consists of 37,200 ewes, which is 6.2 percent of the total number of ewes in Canada. Manitoba has the largest feedlot operation in Canada, feeding 80,000 lambs annually.

Goats

The Sheep and Goat Specialist and the Manitoba Goat Association (MGA) continued to work to develop a business plan to meet the needs of the industry. A number of consultations were dealt with by telephone. A website continued to be updated for the MGA. Several goat production articles were written for the Goat Keeper magazine and the Canadian Meat Goat Journal. The Sheep and Goat Specialist was successful in securing a grant for a national, MGA sponsored show in Dauphin.

The number of Manitoba goat farms remained constant, and the number of goats increased to 13,000 in 2002. Manitoba presently holds seven percent of the number of goats in Canada.

Livestock Environment

The Livestock Environment Engineer and the Livestock Environment Specialist promote the sustainable expansion of the livestock industry in Manitoba. The Livestock Environment Team develops strategies and disseminates information on the management of livestock manure and protection of land, air, and water resources in order to help the industry operate in harmony with its neighbours and the environment. The Livestock Environment Team works in co-operation with the Department's regional engineers, soil management and conservation specialists, as well as the Department of Conservation.

The *Farm Practices Guidelines for Hog Producers in Manitoba* were revised in 1998 and the *Farm Practices Guidelines for Poultry Producers in Manitoba* were revised in 2000. Revisions to the *Farm Practices Guidelines for Dairy Producers in Manitoba* began in 2001. All updates and revisions to the *Farm Practices Guidelines for Livestock Producers in Manitoba* have been put on hold while Governments proceed with legislative changes as a result of the Livestock Stewardship Initiative.

The Livestock Environment Team was involved in the development of the Province of Manitoba's position on the recommendations formulated by the Livestock Stewardship Panel as an outcome of the public consultations carried out in 2000. In 2002 the Government announced legislative changes as a result of the Livestock Stewardship Initiative. As part of the decisions announced by government, the Livestock Environment Specialist is participating in the drafting of the Manure Regulation under *The Pesticides and Fertilizers Control Act*. This includes the development of a training course for custom manure applicators that will be offered by the Assiniboine Community College. As well, the Livestock Environment Specialist participated in the mandatory review of the Livestock Manure and Mortalities Management Regulation being led by Manitoba Conservation. The Livestock Environment Specialist participated in the development of land use planning criteria for livestock operations under *The Planning Act*.

Animal Industry Branch staff continued to participate in the on-going development of a "one stop shop" Internet site that will provide information on all aspects relating to environmental issues associated with livestock production. This Internet site will list professional and service resources, allow for downloading of software, post regulations, provide a means for electronic

distribution guidelines, and will also display all available information on current and past research and development and demonstration projects that deal with livestock environment. The research and demonstration project search engine was released in 2002.

The Manure Applications Rate Calculator (MARC98) is the standard software tool for manure management planning in Manitoba. The MARC98 software is used by more than 400 users and 279 Manure Management Plans were registered with Manitoba Conservation for the 2002 crop year. The software can be downloaded from the MAF Home Page. A hard copy user manual from the Animal Industry Branch is also available. The MARC software is currently being reprogrammed to add flexibility to the program and to facilitate the electronic filing of manure management plans required by Manitoba Conservation.

The Livestock Environment Specialist participated in an industry led pilot project for the development and assessment of on-farm ISO 14001 Environmental Management Systems for individual hog producers. The Livestock Environment Specialist represented the Department on the Canadian Standard Association's Technical Committee for the development of national, voluntary environmental management standards for hog producers.

The Livestock Environment Specialist served as a technical representative on the technical committees under the Prairie Provinces Committee on Livestock Development and Manure Management. Within the scope of these committees, prairie-wide design and construction standards for liquid manure storage structures have been drafted. Guidelines for manure application and use have also been developed.

Routine information dissemination included numerous presentations to staff, industry, and the University of Manitoba on various issues surrounding manure management. The Branch played a key role in training staff in other government departments. The Livestock Environment Specialist participated in the development and delivery of Saskatchewan's Manure Stewardship Curriculum in 2002.

Poultry

Poultry extension and technology transfer was implemented through workshops and meetings as well as individual producer contacts. Eight industry, university, and small flock seminars were organized with a total attendance of 275 people. Topics covered included methods of reducing heat stress, problem solving, and hatchery disinfecting. Three newsletter articles were written and distributed with the *Nutrition Update*. Sixteen fact sheets were prepared for distribution on the Internet. Staff assisted in organizing the Hog and Poultry Days trade show.

In response to a request from Manitoba Chicken Producers, the Poultry Specialist compiled ten years of hourly climate data for Manitoba to evaluate heat stress risks. A computer model based on psychometric principles was developed to evaluate the effect of misting systems on barn environment and heat stress. Two different methods of measuring heat stress were compared. The model indicates, that while some recent weather has been unusually hot and humid, misting systems can still be used very effectively.

Airspeed, temperature, and humidity under maximum summer ventilation, were evaluated in seven poultry barns. The use of an airspeed gauge demonstrated deficiencies in a number of barns, including some that were built within the last three years. The information gathered was presented at producer meetings and was used in the computer model simulating heat stress conditions. As a result of the measurements undertaken last summer, one producer has upgraded the ventilation system.

Questions were received from producers such as how to construct dry manure structures. As a result, a tour of structures on three egg farms, with engineers and environmental specialists from

MAF and Manitoba Conservation, was organized. Surveyed were the depth, moisture, and nutrient content of manure in three dry manure storage structures. The survey has allowed for more accurate recommendations on how high producers can stack manure in these structures. Additional research is required to ensure that the recommendations given to producers on the construction of these structures is accurate.

In co-operation with Manitoba Egg Producers, investigations were conducted of four farms with cracked egg problems. Standards for shell quality and egg breakage in Manitoba flocks are being developed and workshops dealing with egg quality and cracks are being planned.

Organic poultry diets were formulated for people wanting to produce organic chicken, turkey, and eggs. The Poultry Specialist worked with a Manitoba distributor to create markets for organic and natural poultry products in the USA.

The Poultry Specialist assisted in staffing the Manitoba Egg Producers' caged hen displays at the Red River Exhibition in Winnipeg and the Royal Winter Fair in Brandon. Over 30,000 people visited these displays.

The Poultry Technologist and the Poultry Specialist assisted with the documentation and blood testing for breeder flocks needing export permits. Veterinary Services Branch staff and the Dairy Lab tested all of the samples collected. The government-testing program supported the export of nearly four million chicks and poults to the USA. Without the involvement of the Province to oversee and provide third party verification of the results, these exports could not occur. The value of the exports has doubled in the past three years and added approximately $8 million to the provincial economy in 2002. The testing program also helped to provide quality assurance to the customers in other provinces who purchased an additional $6 million of chicks, poults, and hatching eggs from Manitoba hatcheries.

Food Quality & Product Development Section

Under *The Dairy Act* and *Dairy Regulation*, the Food Quality and Product Development Section licensed 17 dairy processing facilities and 238 dairy industry personnel. Staff conducted 110 plant inspections and follow-up visits that ensured compliance with satisfactory manufacturing practices. Staff provided processors with technology transfer services and assistance in product and process development. These services and assistance were provided in a "trouble-shooting" capacity or during plant construction or expansion. The Pasteurization Control Program remained a high consumer safety priority for the Branch. Inspection staff continued their collaborative work with The Canadian Food Inspection Agency in "single window" plant inspections and were involved in the ongoing development of the Canada/Manitoba Dairy Memorandum of Understanding.

The Provincial Dairy Laboratory performed 58,816 analyses on raw milk and 3,400 analyses on processed dairy products. Milk from each of the province's dairy farms was analysed on a monthly basis for bacteria, antibiotics, added water, and somatic cell count. The average somatic cell count in 2002 was 242,500, which was lower than the 2001 average of 271,000, and far below the national standard of 500,000. Over 485 analyses for antibiotics were performed upon special request of the province's dairy producers while working with the dairy specialists, farm inspectors, or Manitoba Milk Producers. Seven hundred and forty-three extension somatic cell count analyses were completed at the request of the Dairy Specialist or a veterinarian. Laboratory analytical results were employed in the certificate program administered by the Provincial Dairy Specialist. The Provincial Dairy Laboratory strengthened antibiotic testing capabilities and worked closely with industry in this area.

Staff organized and delivered courses to dairy industry personnel such as bulk milk graders, milk receivers, buttermakers, and cheesemakers, and served as primary instructors in thermal processing courses offered through the University of Manitoba. Instruction was provided in Hazard Analysis Critical Control Point (HACCP) to several dairy processing plants. Section staff led three FoodSTEPS courses in rural Manitoba in collaboration with regional home economists and public health inspectors.

Extension services toward industry development were provided through technical and marketing information to livestock processors in the province, for both food and non-food applications. Section staff made presentations to industry and Department staff on HACCP systems. On-site visits to meat and dairy processing plants province-wide were also an integral part of the Section's activities. Assistance was provided to the Manitoba Meat Processors Association. An industry newsletter on livestock value-added was continued and remains well received by the industry.

Staff continued to be actively involved in a variety of national committees pertaining to the quality of livestock products such as National Liaison Group on Milk Products' Quality, Federal-Provincial Dairy Committee, and the International Dairy Federation.

Staff provided a significant contribution to the ongoing development of harmonized food legislation for Canada including the National Dairy Regulation and Code, the HACCP Systems and HACCP-Based Program Recognition Protocol, and the National Meat and Poultry Regulation and Code.

Production Quality & Safety Section

Dairy Farm Inspection Services

Under *The Dairy Act* and *Dairy Regulation*, the Production Quality and Safety Section provides farm inspection services to 568 dairy farms in the province. Staff conducted 668 dairy farm inspections that involved scheduled inspections and re-inspections of cow, sheep, and goat dairies. Dairy inspectors also inspected 60 bulk milk truck drivers for performance of duties such as sampling for quality, sample care, and truck sanitation.

Staff conducted 66 farm visits to assist producers in troubleshooting milk quality and safety problems and to review new construction. Information was provided to dairy producers to assist them in meeting required safety and quality standards for raw milk, and also to assist in improving productivity. Staff provided processing plants with food safety and Hazard Analysis Critical Control Point (HACCP) information, and assisted in the organization and delivery of the Bulk Milk Graders' and Milk Receivers' Course.

Staff are working with the Canadian Food Inspection Agency (CFIA) and provincial governments to develop and implement a framework for the national monitoring of provincial dairy farm inspection and raw milk hauling.

Poultry Licensing and Inspection Services

Under *The Livestock and Livestock Products Act* and *Hatchery and Hatchery Supply Flock Regulation*, the Production Quality and Safety Section approved 59 hatchery supply flocks and issued licences to ten hatcheries. Staff conducted 122 poultry farm inspections to ensure compliance to safety and quality standards. The Section also issued 15 poultry dealer licences under *The Livestock and Livestock Products Act* and *Poultry Products Regulation*.

Staff facilitated the export of approximately $8 million of Manitoba chicks, poults, and hatching eggs into the USA. Producers paid for the costs of testing under the program.

Staff administered and enforced *The Livestock Industry Diversification Act* and the *Elk Game Production Regulation*. Administration includes the inspection of elk game production farms.

Staff were involved in the organization of Small Flock Seminars, and Hog and Poultry Days. Staff published the *Breeder Bulletin Newsletter* which was distributed to all hatching egg producers. To increase public awareness of agriculture and poultry, staff conducted incubation and hatchery seminars for local schools. Staff worked with producers to assist them in increasing productivity through alternate management techniques.

On-Farm Food Safety

Staff continued to work with commodity organizations to develop and implement on-farm food safety programs. Staff worked closely with the Canadian Sheep Federation on the continued development of their national on-farm food safety program. Assistance was provided by staff to other groups in the distribution of program materials and the training of industry stakeholders with respect to on-farm food safety programs.

Staff are actively involved in the Federal/Provincial/Territorial On-farm Food Safety Sub-Committee that is developing a national approach to the recognition of on-farm food safety programs. Staff participated in five government technical reviews of industry national on-farm food safety programs seeking government recognition.

A significant contribution has been provided by staff to the Federal/Provincial/Territorial Working Group, under the Canadian Food Inspection System Implementation Group (CFISIG), that is developing a national strategy for the recognition of industry developed HACCP systems and HACCP-based programs.

Sustainable Development

In 2002/2003, the Animal Industry Branch participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development.

To meet the intent of Principle #2, Stewardship, the Branch participated in the following activities:

- Staff represented the department on the Canadian Standard Association's Technical Committee for the development of a national, voluntary environmental management system for hog producers.

- Staff participated in the development of Tri-Provincial Manure Application and Use Guidelines and in the development of Tri-Provincial Manure Storage Structure Standards.

To meet the intent of Principle #3, Shared Responsibility and Understanding, the Branch participated in the following activities:

- Branch staff participated in the development of a training course for Manure Applicator Rate Calculator being developed by the Assinboine Community College, the National Expert Committee on Manure Management under the Canadian Agri-Food Research Council, and the development and delivery of the Saskatchewan Manure Stewardship Curriculum.

To meet the intent of Principle #5, Conservation and Enhancement, the Branch participated in the following activities:

- **Staff participated in the departmental review of the Manitoba Livestock Manure and Mortalities Management Regulation and Manitoba Conservation's proposals for amendments.**

To meet the intent of Principle #7, Global Responsibility, the Branch participated in the following activities:

- **The Branch participated in the departmental review of the Manitoba Livestock Manure and Mortalities Management Regulation and Manitoba Conservation's proposals for amendments. Staff also participated in the development of Tri-Provincial Manure Application and Use Guidelines, Tri-Provincial Manure Storage Structure Standards, and a Tri-Provincial "one stop shop" Internet site providing information on all research projects related to livestock and the environment that have been conducted on the Prairies.**

4 (b) Animal Industry

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,774.4	35.78	1,886.6	(112.2)	
(2) Other Expenditures					
-Grants/Transfer Payments	349.0		-	349.0	1
-Other	497.1		531.0	(33.9)	
Total Other Expenditures	846.1		531.0	315.1	
TOTAL EXPENDITURES	2,620.5	35.78	2,417.6	202.9	

1. *The variance over authority was to provide for the residual valuation allowance for the Elk Management Fund with the conclusion of the wild elk capture program.*

Veterinary Services (4c)

The objectives of the Veterinary Services Branch in 2002/2003 were: to provide the necessary resources for diagnosis of livestock diseases while promoting animal health; to encourage the use of veterinary services and laboratory diagnosis by livestock producers; to administer public animal hospitals; to provide extension services to livestock producers; to conduct disease surveillance; and to administer the Humane Inspection Program in the province.

In 2002/2003, the Branch administered *The Veterinary Services Act, The Veterinary Science Scholarship Fund Act,* the recently amended *Animal Diseases Act,* and *The Animal Care Act.* The *Animal Care Act* includes provisions on animal abuse and neglect. Staff investigated 218 complaints on inhumane treatment of animals, and of these, 76 were deemed unjustified and 104 required corrective measures. Charges were laid in three cases and animals were seized in 16 cases. During the winter of 2002/2003, the number of complaints increased due to inadequate feeding of cattle and horses. Many of these complaints were justified, and several seizures occurred and charges were laid.

Financial assistance was provided through the Veterinary Science Scholarship Fund to 32 Manitoba students enrolled at the Western College of Veterinary Medicine. In addition, through the Summer Student Employment Program, 20 students were provided with practical experience, while being encouraged to practice in Manitoba's rural areas upon graduation.

The Branch provides technical and specialist services to rural and urban veterinarians through the province's veterinary diagnostic laboratory. The laboratory received 17,815 cases and conducted 489,335 tests in 2002/2003. Increased activity in the farm sector was associated with a rise in the number of shipments of specimens from swine and beef sectors. Producers maximized their economic returns through the laboratory's high-priority commitment to the rapid reporting of laboratory results. Polymerase Chain Reaction (PCR) testing for diseases of cattle, hogs, and poultry provided a quick turn-around of results and greater utilization of service by producers. Whole herds are tested for certain diseases such as Bovine Virus Diarrhea in cattle and Porcine Reproductive and Respiratory Syndrome in hogs. New research in surveillance methods for diseases such as Johne's disease, Neosporosis in cattle, and Chronic Wasting Disease (CWD) in elk and deer, has contributed to an increase in cases and the number of tests performed.

The laboratory conducted West Nile Virus (WNV) surveillance in conjunction with Manitoba Health, Manitoba Conservation, the City of Winnipeg, and rural veterinarians. Surveillance for WNV included the processing, sampling, and testing of 880 corvid samples, horse brains, and sera from 370 horses. Over 800 deer and elk brains were processed, of which approximately 650 were sent for CWD testing through a joint surveillance project with Manitoba Conservation and Parks Canada.

Branch staff presented pathology demonstrations to Red River College (RRC) students and assisted the instructors of the Animal Health Technology course at RRC. Assistance was also provided to the Canadian Food Inspection Agency (CFIA) for some of the courses in which laboratory staff participated.

Field Services staff participated in approximately 45 extension seminars for beef, dairy, elk, bison, sheep, and horse producers. The main purpose of these seminars was to provide awareness and education to producers on issues such as: Bovine Tuberculosis (TB), WNV, biosecurity, CWD, and general herd health management. Staff also attended over 75 producer meetings and delivered course lectures at the University of Manitoba and RRC concerning animal health management issues.

Field staff conducted several disease investigations throughout the year in response to requests from Branch pathologists, private veterinarians, and affected livestock producers. As a result, the first recorded North American outbreak of WNV in domestic geese was investigated and documented.

Field and laboratory staff were extensively involved in several disease surveillance programs including WNV, TB in wildlife, and CWD in farmed elk as well as wild deer and elk. WNV surveillance involved branch staff providing the infrastructure for collection of corvid samples from which brain and kidney samples were extracted for further analysis. The laboratory recorded information on these samples directly into a national database that is maintained by the Canadian Co-operative Wildlife Health Centre in Saskatoon. Surveillance for WNV in horses was supported by subsidizing the testing in sick animals, as well as by collecting approximately 2,000 serum samples from horses with normal appearances all across Manitoba. Through these programs the first occurrence of WNV in Manitoba was detected, and its spread throughout the southern half of Manitoba in the summer of 2002 was tracked and reported. WNV was confirmed to have caused illness in approximately 270 horses and death in 65, and it is estimated that approximately four times that number were affected, but not submitted. CWD surveillance in wildlife and mandatory CWD testing in farmed elk continued to support the belief that Manitoba does not have the disease as negative testing occurred in approximately 800 wild deer and elk as well as 70 farmed elk. No cases of TB were found in the approximately 447 elk, 740 white-tailed deer, 22 moose, and 61 other species tested for the disease in the hunt season.

Bovine TB continued to be a problem in Manitoba in 2002. In August of 2002 the USA downgraded Manitoba's TB status to "modified TB accredited advanced", making it necessary to test all breeding potential cattle and bison going to the USA. In January 2003 Manitoba was split into two different TB status areas by the Canadian Food Inspection Agency (CFIA). In the area around Riding Mountain National Park, the Riding Mountain TB Eradication Area (RMEA), and game hunting areas 23 and 23A, were given an "accredited advanced TB" status. The remainder of Manitoba was designated "TB free". TB testing of cattle and bison herds is required at least once every three years in the RMEA. Permits from CFIA, which indicates the animals that are not at risk for spreading TB, are required in order to move cattle or bison out of the RMEA. The Veterinary Services Branch, along with Manitoba Conservation, Parks Canada, and the CFIA, in co-operation with the Manitoba Cattle Producers Association and the Manitoba Wildlife Federation, is involved in a TB Task Group that has an annual implementation plan. The goal of the group is to eradicate TB in both wildlife and in livestock. Manitoba Agriculture and Food (MAF) supports the plan by providing approximately $98,500 per year, as well as veterinary and laboratory staff time and materials.

Veterinary Services Branch continued to work with CFIA, Emergency Measures Organization, and producer groups to ensure that contingency plans are adequate and in place for Manitoba and Canada in preparedness for foreign animal disease outbreaks in Canada or the USA. Outbreaks of Foot and Mouth Disease (FMD) in the United Kingdom in 2001 and Newcastle Disease in the USA in 2002 indicate how costly these incursions can be.

Under *The Veterinary Services Act*, the Branch provided provincial grants to 28 veterinary districts. This funding helped support a 24-hour, seven-day-a-week service through 55 veterinarians and their staff. During the year, meetings were held with Veterinary Services District Boards and with the Association of Manitoba Municipalities. The Branch assisted the Veterinary Services Commission with the administration and distribution of a $300,000 special grant for capital equipment and infrastructure for the Veterinary Services District Program.

The Branch assisted in supporting livestock disease control research by providing $15,200 to the Veterinary Infectious Diseases Organization. The Branch administered the Rabies Indemnity Program, a federal-provincial initiative to monitor the incidence of rabies. Payments within this program area totalled $3,400.

Sustainable Development

In 2002/2003, the Veterinary Services Branch participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development.

To meet the intent of Principle #2, Stewardship, the Branch participated in the following activities:

- Branch staff assisted in the review of the PMU Code of Practice.
- Branch staff were on the committee that developed the code of practice for care and handling of farm animals: Pigs Addendum early weaned pigs.

To meet the intent of Principle #3, Shared Responsibility and Understanding, the Branch participated in the following activities:

- Branch staff monitored diseases of economic, public health, and international trade significance. The Branch assisted producers in monitoring and controlling disease outbreaks through surveillance testing of West Nile Virus and Chronic Wasting Disease.
- Staff worked with the Manitoba Cattle Producers Association to evaluate the prevalence of four production limiting diseases in cattle, Bovine Viral Diarrhea - (BVD), Johne's Disease, Neospora, and Enzootic Bovine Leukosis.
- Branch staff worked with veterinary practitioners to publish two peer-reviewed articles in the *Canadian Veterinary Journal*. The articles focussed on the overcrowding of Manitoba swine barns in the event of restriction on animal movement and the minimum space allowance for transportation of swine by the road.

To meet the intent of Principle #4, Prevention, the Branch participated in the following activities:

- The Branch provided extension support. Through the Animal Care Act, the Branch also provided enforcement in support of good animal care, and prevention of animal disease by working with the public, police, and animal control officers.

4 (c) Veterinary Services

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,062.9	37.79	2,007.0	55.9	
(2) Other Expenditures	937.6		876.2	61.4	
(3) Grant Assistance - Operating -Grants/Transfer Payments	470.7		471.0	(0.3)	
(4) Grant Assistance - Capital -Grants/Transfer Payments	300.0		300.0	-	
TOTAL EXPENDITURES	3,771.2	37.79	3,654.2	117.0	

Soils and Crops (4d)

Soils and Crops provides a coordinated program to enhance crop diversification, production, and utilization, while maintaining and enhancing soil and water resources. In support of these objectives, the Branch provides regional staff, agri-business, and farmers with technical support, along with specialized services and information. This overall support enhances the productivity, output, and marketing capability of Manitoba's crop producers.

The Branch administers statutes and regulations related to several areas such as: beekeeping, pesticide dealer and applicator licensing, weed control, and horticulture. Direct support is also provided under the Environment Act Regulation that involves controlling crop residue burning. Soils and Crops also supports the delivery of agricultural research and sustainability programs and participates in federal-provincial cost-shared programs designed to assist in the development of irrigation infrastructure.

The Branch is comprised of five sections: Apiculture and Crop Diagnostics, Agricultural Resources, Crop Diversification, Crop Development, and Soils and Crops Programs. All sections are extensively involved in the investigation and demonstration of new crop market opportunities and production practices. Technical information is disseminated through publications, news releases, the Internet, and local grower meetings.

The Branch achieved the following results in 2002/2003:

Apiculture and Crop Diagnostics

The Branch administered the *Manitoba Bee Act*, with staff coordinating the Honey Bee Disease Inspection and Control Program. Staff inspected 6,479 honey bee colonies for American and European foulbrood diseases. The Branch collected and analyzed 442 bee samples for the presence of the honey bee tracheal mite. The Branch also sampled 292 honey bee operations throughout the province for the presence of the Varroa mite.

Apiculture Section staff participated in 26 extension meetings. The Section provided industry updates and information on honey bee and leafcutting bee management to producers. Staff also attended, as technical advisors, Board of Director meetings for the Manitoba Beekeepers' Association, the Red River Apiarists' Association, and the Manitoba Forage Seed Association. Contributions were made to three issues of both the *Manitoba Beekeeper* and *Forage Seed Update* newsletters, which were distributed to approximately 2,000 individuals. In addition, staff taught an evening course in beekeeping at the University of Manitoba.

At the request of the Manitoba Forage Seed Association, Manitoba Agriculture and Food (MAF) implemented a pilot chalkbrood inspection program of leafcutting bee producers during the spring of 2002. Two inspectors were hired to conduct the survey resulting in a total of 70 leafcutting bee outfits being sampled. In addition, the Section conducted a chalkbrood survey of feral bees using about 110 trap nests.

Through research, demonstration, and extension, staff continued to develop information related to understanding the economic benefits that result from the pollination of commercial crops by bees. Staff conducted two research trials related to leafcutting bee management. These research trials were targeted to improve equipment, and cell fumigation procedures to ensure operator safety.

In 2002, licenses were issued to 1,387 applicators and 537 dealers under *The Pesticides and Fertilizers Control Act*. Pesticide dealers and custom pesticide applicators are required to qualify

for licensing by completing provincially approved certification courses. In addition, applicators must comply with the Act's insurance requirement before they are issued a license.

The Crop Diagnostic Centre served farmers and agri-business by analyzing 1,332 agricultural and 115 non-agricultural samples. There were 155 weed samples and 27 insect samples submitted for identification in 2002.

Agricultural Resources

Agricultural Resources Section staff participated in the delivery of the fifth year of programming under the Manitoba Agricultural Sustainability Initiative – Covering New Ground. Staff responsibilities associated with Covering New Ground included: coordination of provincial, regional, and crop diversification centre projects; provision of technical assistance to regional staff; local delivery organizations; producer groups; conservation districts; and environmental agencies.

Inter-provincial liaisons and information sharing between Manitoba, Saskatchewan, Alberta, and British Columbia was accomplished through staff participation on the Western Coordinating Committee on Environmentally Sustainable Agriculture. Representation on the federal-provincial Canada Committee on Natural Resources provides Manitoba's perspective on agricultural sustainability issues, including climate. Soil Conservation Canada facilitates co-operation in addressing soil conservation/management concerns, which are presently focussed on greenhouse gas emissions from the soil and carbon sequestration in soil organic matter.

Section staff were responsible for the planning and delivery of field programs which included Covering New Ground projects and providing training and technical information to producers, as well as central and regional staff. Field programming involved activities related to manure management and soil and land management, including reduced tillage.

Agricultural Resources staff supported, and were involved in the delivery of the Irrigation Development Program, technical reviews of proposals associated with livestock industry expansion, the review of the Livestock Manure and Mortalities Management Regulation, Livestock Sustainability Initiative, Manitoba Zero Tillage Research Farm, the Riparian Health Council, the Association of Irrigators in Manitoba (AIM), Regional Irrigation Associations, and Capital Region Review and the Planning Act Review.

Staff coordinated the Crop Residue Burning Authorization Program established under the Burning of Crop Residue and Non-Crop Herbage Regulation.

A detailed soil inventory project in the Rural Municipalities of Springfield, Tache, and Ritchot continued. A final report on the detailed soil survey of the RM of South Cypress is near completion. Work is progressing to develop a complete soil resource inventory package for the Assiniboine Delta Aquifier.

The Agrometeorology Program continued to make progress in the delivery of computer based real-time agricultural weather information packages in support of the delivery of information through the Agrometeorological Centre of Excellence (ACE).

In the area of agricultural land utilization, staff provided input and reviews for more than 250 projects and proposals associated with the environment, highways, rural gas and water line installations, gas and oil pipelines, hydroelectric transmission line routings, municipal by-laws, development plans, and zoning by-laws. A specific focus included planning issues related to the expansion of the livestock industry.

Crop Diversification

Information to farmers and industry was provided by seminars, newsletters, fact sheets, and publications. Seminars organized included the Potato Production Days technology transfer program, the fruit growers program at the Direct Farm Marketing Conference, and the Corn School.

A variety of newsletters were produced in co-operation with industry partners. These included: Potato Newsletters, in conjunction with Manitoba Potato Council and Manitoba Crop Diversification Centre; The Prairie Fruit Grower and the Prairie Fruit Journal, in conjunction with the Prairie Fruit Growers Association; Sachets Newsletter, in conjunction with the Medicinal and Aromatic Plant Association of Manitoba; The Groat, in conjunction with the Manitoba Buckwheat Growers Association; the Manitoba Corn Growers Association Newsletter; and the Manitoba Corn Hybrid Performance Trials Brochure.

For the 2002 growing season, the Corn Cob newsletter was developed, and 13 weekly Vegetable Reports were issued. These newsletters offered growers timely information on insects, diseases, and general production information. The Corn Cob and the Vegetable Reports were distributed to Agricultural Representatives and were posted on the MAF website.

A number of fact sheets and booklets were made available on the Department's Internet site as free production information. Two fact sheets on Oriental Vegetable Production, concerning Bok Choy and Oriental Cabbage crops, and four fact sheets on greenhouse production were produced and the strawberry cost of production was also updated on the MAF website. The *Guide to Fruit Crop Protection and Production* and the *Fruit Crop Insect Guide* were made available on the site for purchase, and chemical label information was also included with the purchase of these materials.

The potato industry has expanded in Manitoba. The J.R. Simplot plant is nearing completion and will be processing potatoes in 2003. Staff were involved in providing information to growers concerning potato production. A Potato Diagnostic School was held at Carberry in August 2002 with 122 industry and farmers participating.

The forecasting program, for potato late blight, provided potato growers with disease risk information and management recommendations. Information was available on the website and the 1-800 potato hotline. In response to disease risk conditions concerning the potato crop, an emergency registration of Quadris fungicide was requested and received.

The Manitoba Oriental Vegetable Production and Marketing Evaluation Project was conducted for the sixth year. This project worked towards the commercialization of oriental vegetable production in Manitoba. Over 30 crop varieties were grown in test plots at the Manitoba Crop Diversification Centre (MCDC) in Portage la Prairie, and as a result of these trials, interest in oriental vegetable production has increased. Some of the vegetables included in this project were bok choy, oriental muskmelon, oriental cucumber, oriental snow-peas, miniature corn, diakon, and oriental watermelon.

Staff evaluated innovations in pest management, irrigation, product quality, and new crop development. Saskatoons, seabuckthorn, hemp, corn, buckwheat, medicinals, aromatic plants, spices, essential oils, and oriental vegetables were among the new and expanding crops under development. Demonstration orchards and strawberry trials continued in conjunction with the Agriculture and Agri-Food Research Station in Morden, and a Seabuckthorn Trade Mission went to Germany and Russia to investigate new technologies and new varieties. The provincial fruit specialist worked with participants of the trade mission to develop the opportunities identified.

Staff provided agronomic information on hemp through research trials, fact sheets, extension work, and direct contact with growers via summer tours. Hemp breeding plots, to develop select varieties adapted to Manitoba, were conducted in the Dauphin area. Funding was provided by the Covering New Ground Program for these trials.

Programs continued to monitor European corn borer utilizing pheromone traps, and new technology using light traps was evaluated. Progress was made in comprehending the Lygus bug problem in Buckwheat. Staff collaborated with the Manitoba Corn Growers Association on research trials, which looked at fertility, plant population, and herbicide evaluation.

Staff assisted the North American Buckwheat Promotional Committee. The committee aims to increase consumer awareness of buckwheat's nutritional advantages through a strategy that provides information to nutritional professionals such as dietitians.

Crop Development

The Crop Development Section, in co-operation with the Manitoba Crop Variety Evaluation Team, coordinated the 2002/2003 Variety Evaluation Program. This program consisted of 21 test sites (of which five sites were entirely funded and conducted by the industry, five were funded partially by grower groups, and 11 were conducted by private companies). Most test sites contained between 125 and 165 varieties of cereals, oilseeds, and special crops. Project contractors included Ag-Quest Inc., AgriProgress, ICMS Inc., and Agriculture and Agri-Food Canada.

Section staff, in co-operation with regional staff and the Manitoba Forage Council assisted with the 2002/2003 Forage Variety Evaluation Program consisting of three full test sites. Evaluation of 320 varieties of 11 forage species was conducted for forage and/or seed production potential. The Section also coordinated variety testing programs for sunflowers resulting in the registration of several new sunflower hybrids.

Varietal performance data was published in *Seed Manitoba,* with 23,000 copies distributed by the Manitoba Co-operator, in co-operation with the Manitoba Seed Growers Association. There were 25 issues of the *Manitoba Crop Report* published which provided timely information on seeding and harvest progress and various crop pest and fertility issues. These publications were prepared in co-operation with regional staff and were distributed electronically to media outlets. Several major extension publications were created, revised, and distributed, including 7,000 copies of the *Guide to Crop Protection*. Other technical publications consisted of 150 e-bulletins, magazine articles, and fact sheets on a range of crop production issues.

Staff provided significant input to published estimates of Cost of Production for Crops. Sixteen insect updates were issued in electronic form during the growing season to assist producers, Agricultural Representatives, and industry in keeping abreast of insect pest development.

Several major training events involving staff assistance and development were held, such as the annual Grazing School, Manitoba Agronomists' Conference, and the Ag Days technical program. Regional staff received training and updates in a variety of crop production issues during two one-day training workshops conducted by the Section. Staff developed and delivered crop diagnostic training schools in co-operation with the University of Manitoba. A two-week summer school program was delivered to 500 industry agronomists, farmers, and department staff.

Several field activities involving staff occurred such as verification of weather-based models to predict Fusarium Head Blight and Sclerotina diseases, and conducting province-wide surveys of insect pests with the assistance of Agriculture Representatives. Prairie-wide insect surveys were conducted in co-operation with other agriculture departments. The Section co-operated with the

University of Manitoba and Agriculture and Agri-Food Canada in conducting field trials to evaluate the economics of crop inputs for canola.

Narrow-row edible bean trials were conducted at six locations. Field testing of soybean was conducted at six locations. Staff, in co-operation with regional staff and the Manitoba Forage Council, implemented the Manitoba Hay Certification Program and a hay listing service. Results from all field activities were extended to growers and the industry.

In organic agriculture, Organic Producers Association of Manitoba became the first certification agency in Canada to achieve ISO accreditation. The department's organic agriculture specialist assisted in this process.

Staff coordinated the emergency registration of Folicur fungicide for use in controlling Fusarium Head Blight in wheat.

Section staff provided support to numerous organizations including: Manitoba Pulse Growers; National Sunflower Association; Manitoba Canola Growers; Canola Council of Canada; Flax Council of Canada; Manitoba-North Dakota Zero Tillage Farmers; Manitoba Zero Tillage Research Association; Manitoba Seed Growers; Canadian Seed Growers; Pesticide Free Production Canada; Organic Producers Association of Manitoba; and Manitoba Forage Council. There were approximately 50 reports sent to grower/industry organizations that related to a range of crop production issues. Support was provided to the Marketing and Farm Business Management Branch in the area of pulse and hay market development. Staff provided department input at the national level for the Science and Innovation and Environment Chapters of the Agricultural Policy Framework and to the Canadian Agri-Food Research Council. The Fertility Specialist supported the delivery of the Certified Crop Advisor program in Western Canada.

Weather-based crop disease forecasts for Sclerotinia disease in canola and Fusarium Head Blight disease in wheat were prepared and delivered on the Internet and in farm newspapers. Maps depicting disease pressure were produced with the Agriculture Resources Section and grower industry organizations. Models used in these forecasts were improved through efforts of the Plant Pathologist.

Staff conducted 140 technical presentations before 6,000 growers and 1,500 industry agronomists. These presentations provided information regarding cereal, oilseed, pulse crop, alternative crop, forage, pasture, and seed production. In addition, staff responded to 3,000 telephone and e-mail enquiries from producers, agricultural representatives, and industry agronomists with agronomic recommendations. Section staff were cited in 150 radio, television, and print items as a result of interviews on a range of crop production topics.

Soils and Crops Programs

The Soils and Crops Programs Section addresses agri-food issues in biotechnology, nutraceuticals, and functional foods, and administers both the Agri-Food Research and Development Initiative (ARDI) and Covering New Ground programs.

A Biotechnology Working Group was established to develop recommendations with respect to biotechnology, coordinate staff training, facilitate the development of extension programming, and to support activities in consumer information and labelling.

Staff actively supported the network of expertise in nutraceuticals and functional foods, including the National Centre for Agri-Food Research in Medicine. Agronomic production practices, the identification and preservation of active ingredients, and the clinical trials to support the effective

use of nutraceuticals are all key elements in further seizing opportunities involving nutraceuticals and functional foods.

A working group on Nutraceuticals and Functional Foods was established to develop a vision and plan for nutraceuticals and functional foods in Manitoba. Activities of the working group will include compiling current research and extension activities in Manitoba, assessing the overall capability of this industry sector, reviewing regulatory requirements for market access, recommending priorities for research and clinical trials, and agronomic investigations. In addition, grower co-operatives and other strategic partnerships will be encouraged to ensure local processors and manufacturers have the needed resources, can be price competitive, and ensure batch standardization to meet world market demands. Consultation with other government departments and industry to assess overall capacity and interest will be ongoing.

Sustainable Development

In 2002/2003, the Branch participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development:

To meet the intent of Principle #1, Integration of Environment and Economic Decisions, the Branch participated in the following activities:

- Staff provided extension and technical support to Crop Nutrient Management. Technical information was provided to support effective and efficient nutrient management practices to ensure efficient crop production with minimal environmental risk.

To meet the intent of Principle #2, Stewardship, the Branch participated in the following activities:

- Staff administrated and supported the Pesticides and Fertilizer Control Act. The licensing of commercial pesticide dealers and applicators ensures environmental and human protection related to pesticide use.

- Staff administrated and supported Crop Residue Burning Authorization Program (Environment Act) which minimized the risk to human health and safety from smoke resulting in crop residue burning.

To meet the intent of Principle #3, Shared Responsibility and Understanding, the Branch participated in the following activities:

- Staff supported the administration of the Livestock Manure and Mortalities Management Regulation (Environment Act), by providing technical advice to Manitoba Conservation and extensive information to livestock producers related to the sustainable use of manure in crop production.

- Staff administrated and supported the Bee Act, which provided disease identification and control advice to beekeepers to ensure safe honey production and the sustainability of the beekeeping industry.

- Staff supported the administration of the Planning Act (Intergovernmental Affairs) by providing advice to municipalities to ensure the protection of a land base for long term sustainable agriculture.

- Staff provided extension and technical support in disease identification and control. Extensive support was provided for the identification and judicious control practices for diseases and pests affecting agricultural crops and bees.

- Staff provided extension and technical support to land and water management. Information was provided to support the protection of soil productivity as well as surface and ground water quality.

- Staff provided extension and technical support to research and innovation. Technical support and participation was provided to enhance sustainable and new crop development activities.

- Staff provided extension and technical support to organic production. Staff provided leadership related to organic crop production in Manitoba.

To meet the intent of Principle #4, Prevention, the Branch participated in the following activities:

- Staff administrated and supported the Noxious Weed Act, which provided technical and regulatory support to Municipalities related to the appropriate control of invasive plant species.

To meet the intent of Principle #5, Conservation and Enhancement, the Branch participated in the following activities:

- Staff provided extension and technical support to the Soils Inventory Program. Basic information was provided on Manitoba's soil resources, and interpretive criteria was developed to ensure long term sustainable use of these resources.

- Staff provided extension and technical support to the Agrometeorological Support Program. Weather based information was integrated with agricultural concerns to provide accurate disease forecasting and support for other agronomic practices to ensure efficient and sustainable crop production.

- The Branch was responsible for administering a fund under the Livestock Stewardship Initiative (LSI) which supported investigation and technology transfer related to sustainable manure management practices.

To meet the intent of Principle #7, Global Responsibility, the Branch participated in the following activities:

- Staff provided extension and technical support to Integrated Decision Making and Planning. Branch staff represented Manitoba's commitment to sustainable agriculture through participation on a number of intergovernmental and industry/governmental committees and policy making groups such as: F/P/T Committee on Pesticides and Pest Management, Canada Agriculture Research Coordinating Committee and associated sub-committees, Western Canadian Coordinating Committee on Environmentally Sustainable Agriculture, University of Manitoba Departmental Consultation Committees, Western Committee on Crop Pests and Diseases, and Soil Conservation of Canada.

4 (d) Soils and Crops

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,881.9	54.12	3,004.3	(122.4)	
(2) Other Expenditures	902.7		1,023.7	(121.0)	
TOTAL EXPENDITURES	3,784.6	54.12	4,028.0	(243.4)	

Irrigation Development (4e)

Staff of the Soils and Crops Branch were involved in discussions with Prairie Farm Rehabilitation Administration (PFRA), irrigation associations, commodity groups, processors, and other stake holders to develop a new irrigation development program to follow the Surplus Water Irrigation Initiative (SWII) when it terminated on March 31, 2002.

In September, 2002, a $1.0725 million provincial Irrigation Development Program (IDP) was announced. The IDP was modelled after the previous SWII program, with programming being offered in five areas: off-farm irrigation infrastructure development, including area and block development and management; investigation, demonstration, and technology transfer; environmental protection; and public awareness, education, and communication. Staff resources from the Soils and Crops Branch were assigned to deliver the program.

All infrastructure projects must receive appropriate Environment Act Licensing and meet federal requirements including those from the Department of Fisheries and Oceans. Funding is also provided to support investigation, demonstration and technology transfer of sustainable water management practices, as well as environmental monitoring activities.

An Irrigation Coordinating Committee was established with representation from Manitoba Agriculture and Food (MAF), Manitoba Conservation (MC), and PFRA, which coordinates activities and funding support to infrastructure projects.

A Program Management Committee, with three representatives from MAF and two representatives from MC, was created to oversee the IDP and recommend project proposals for funding to the Minister. Subsequently, approximately 28 applications for funding of infrastructure projects were received with an additional three applications received for non-infrastructure projects. Seven infrastructure projects were supported that developed approximately 1,050 annually irrigated acres.

4 (e) Irrigation Development

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	209.0		1,072.5	(863.5)	1
TOTAL EXPENDITURES	209.0		1,072.5	(863.5)	

1. *The variance under authority was mainly due to reduced activity resulting from producer hesitance in planning new projects in anticipation of a new infrastructure support program.*

Food Development Centre 4(f)

The Food Development Centre (FDC) provided leadership in the creation, expansion, and diversification of the agri-food industry through industry networks and expertise in food processing.

During 2002/2003, FDC received approval of its strategic plan that will initiate the repositioning of the Centre within the food processing industry. An investment of $11.175 million will result in the refurbishment of its facility to meet Canadian Food Inspection Agency standards, the purchase of leading edge technology, and the partnering with Great Plains Aseptic Processors to bring a unique liquid food research and development, and commercial packaging facility to Manitoba.

In conjunction with its strategic partners, FDC facilitated the development of 14 new products, and assisted in the creation of 11 new employment opportunities that are expected to contribute $1,200,000 in GDP and $108,900 in provincial taxes over a five-year period.

FDC is a Special Operating Agency and the 2002/2003 activities, financial data, and performance measurements are detailed in FDC's Annual Report.

FDC fully supports and participates in Manitoba Agriculture and Food's Sustainable Development initiative under the Sustainable Development Act. FDC's accomplishments and activities are included in the Manitoba Agriculture and Food Sustainable Development Procurement Plan and Procurement Report that are submitted by the Department to Procurement Council each fiscal year.

4 (f) Food Development Centre

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	1,507.5		1,764.4	(256.9)	1
TOTAL EXPENDITURES	1,507.5		1,764.4	(256.9)	

1. *The variance under authority was mainly due to equipment purchases occurring later than anticipated resulting in lower interest and amortization charges.*

Regional Agricultural Services (5)

The Regional Agricultural Services Division provides the front-line delivery of Manitoba Agriculture and Food programs and services. This Division, through innovative agri-food extension programs, aims to empower farm families and rural people to realize their goals and manage the agricultural resources for sustainable, dynamic rural communities.

There are four regional offices and 40 district offices served by a staff of Agricultural Representatives, Home Economists, Crop and Livestock Specialists, Land Stewardship Specialists, Soil and Water Management Specialists and Farm Management Specialists. These staff provide programs and services aimed at enabling farm families to operate viable farm businesses and employ best management practices.

Regional staff facilitate bringing various strategic partners (such as producers, consumers, government, financial and scientific communities, processors and marketers) together to develop and expand value-added activity and diversification in Manitoba. Moreover, staff assist producers and processors increase sales of primary and processed products to domestic and international markets.

The regions assist in the development of rural leadership by providing support to the 4-H program and other rural organizations. Regional and district staff help ensure the success of 4-H by organizing workshops for club officers, public speaking training, competitions, rallies, member exchange programs and livestock shows. In addition, staff work with industry organizations and community groups to build sustainable, dynamic rural organizations within communities.

Regional staff work towards improving the well-being of the farm family. Staff activities involve promotion of food safety and quality, business building, farm safety and family resource management.

The regions are involved in extension education and training. Staff make extensive use of producer newsletters, local news columns, local broadcast media and the internet to reach farm families. All of these activities are carried out in accordance with specific Department strategies for farm profitability, sustainability, food safety and quality, diversification and adding value, market development and agricultural awareness.

The Division is also responsible for effectively administering the leasing of Crown land designated for agricultural production and to improve the productivity of this land through improved management techniques.

In order to achieve sustainable, dynamic rural communities, the Department is dedicated to:

- Empowering farm families and rural people to realize their goals;
- Developing and delivering innovative agri-food extension programs and services; and
- Managing and enhancing agricultural resources.

Northwest Region (5a)

Farm Management

Regional staff made 3,216 general contacts and 2,239 intensive contacts on farm management subjects during the 2002/2003 fiscal year. Intensive contacts involved management counselling with 151 farm families.

Six marketing seminars were held, in which 95 producers examined price risk management strategies in marketing canola and beef cattle. Farm Management Specialists combined resources with industry in developing a canola marketing calendar. Approximately 30,000 copies were distributed to producers across western Canada in support of their marketing decisions. Regional staff assisted producers in developing nine costs of production for new farm enterprises and updated eight existing cost summaries. Staff provided business consultation, financial analysis, and planning support to a host of diversification and value-added community and producer initiatives in the Northwest Region.

Agri-Ventures

Value-added and diversification initiatives were part of 29 events involving approximately 815 clients. Events included seminars, conferences, trade shows, and tours where participants explored new technology and new market opportunities. There were seven special projects which involved funding-in-progress with the Manitoba Agri-Ventures Initiatives Program. Staff facilitated group processes and business planning directed towards the development of meat and food processing, new livestock, crop and forage production and processing, agri-tourism, and community development. These initiatives continued to be supported through the integrated services of Intergovernmental Affairs, Industry, Trade and Mines, Manitoba Agriculture and Food (MAF), and local development agencies.

Crop Production Enhancement

Crop production assistance was provided through 8,104 general contacts and 2,378 intensive contacts. The Parkland Crop Diversification Foundation (PCDF) has become an effective tool in evaluating and demonstrating new crops, diversification options, and production. Industrial hemp production created a large amount of interest in the Region. Approximately 1,200 acres of hemp was grown in Manitoba with 1,000 acres grown in the Northwest Region. The Parkland Industrial Hemp Growers Co-op Limited extensively explored hemp marketing and processing options. Plans are underway for construction of a fibre processing facility that will require 25,000 acres of hemp fibre per year. Parkland Industrial Hemp Growers Co-op Limited has spearheaded the establishment of a Manitoba hemp plant-breeding program to support the industry.

Forage Production assistance was provided through 2,449 general and 576 intensive contacts. Forage production and management and Management Intensive Grazing are top priorities within the Region. Activities in the Region included pasture planning and watering system projects. Setting up rotational grazing systems and extending the grazing season have evolved into chief priority areas for the majority of forage producers with livestock.

The Timothy Hay industry continued to expand due to the location of the compacting plant in Russell and a new plant of similar capacity in Dauphin. The plants are needed to help meet the demand for Manitoba's Timothy Hay export to Japan and Korea. The plants currently have expectations to process about 25,000 tonnes per year. Hay sales across the region were up this year due to the shortage of hay within Manitoba, neighbouring provinces, and the USA.

Technology transfer continued through extension efforts in field days, tours, seminars, news articles and newsletters, clubs, and one-to-one contacts.

Livestock Production Enhancement

Livestock technology information was provided to farm clients through 5,705 general and 2,041 intensive contacts. Regional staff worked with two feeder associations, 4-H groups, community agricultural societies, and seven local veterinary service boards. Staff organized 33 producer sessions where presentations were given on pasture, forage, livestock, water, and manure management to 1,405 producers. Regional staff formulated 1,015 rations for regional beef, swine, dairy, sheep, goat, and bison producers. In conjunction with the Provincial Tuberculosis Management Committee, five bovine tuberculosis informational meetings were held in the region to inform 350 cattle producers of the issues and concerns in tuberculosis control.

Staff represented MAF at two Riding Mountain Biosphere Reserve meetings and six Riding Mountain Regional Liaison Committee meetings, which dealt with the bovine tuberculosis outbreak and its impact on cattle producers. One hundred and twenty-five youth from across Canada participated in the Canadian Charolais Youth Congress that regional livestock staff helped organize and host in Dauphin.

Three swine investment meetings were held with 32 participants in attendance. The Maple Leaf and Springhill processing plants announced that there would be a deduction for swine producers who were not validated in the Quality Assurance Program. As a result of the announcement, a Canadian Quality Assurance meeting was held along with one-to-one contact with new producers. There was one intensive livestock development open house meeting held for the public with 40 participants in attendance. Over the past year, two 3,200 head nursery barns, two 6,400 head finisher barns, one 2,000 head finisher barn, and eight hooped shelters have been constructed. High grain prices and less than optimum pig prices have slowed expansion in the swine industry.

Aspen bark feeding trials have been carried out with elk, backgrounders, and cows and a final report is being prepared.

4-H and Youth

In 2002/2003 the Northwest Region had a 4-H membership of 858 members taking 1,041 projects with 365 leaders. The most popular projects continued to be equine, beef, and crafts. There were 8,229 general contacts and 1,254 intensive contacts made to support the Northwest 4-H program. Three new 4-H clubs were established in the region at Swan River and Dauphin.

Staff worked with volunteers from the Regional Council, five district councils, and 41 clubs to organize events to support leaders, maintain member interest, and promote the 4-H program in the community. These events included leader/senior member appreciation evenings, officer workshops, bonspiels, inter-club beef shows, communication competitions and achievements, as well as training events for leaders and members. Volunteer leaders and staff in the Region utilized the Quality Equation resource binder and the Discovery Zone box.

District staff supported provincial activities by serving on planning committees and acting as chaperones. The Regional Specialist was responsible for the provincial equine program and its activities including the Young Horse Development Project in co-operation with Manitoba Equine Ranching Association (MERA) and North American Equine Ranching Information Council (NAERIC). The Specialist also coordinated the 4-H members and leaders attendance as well as a display at the Youth Extravaganza at the 2002 Horse Summit.

Two hundred and fifty grade five students from schools in the Parkland area, along with teachers and parents, participated in *Where's Agriculture* at the Dauphin Agricultural Society's Challenges of Production Farm Family Seminar. Students were invited to participate in a post-tour essay contest.

Soil and Water Conservation

Staff worked with six local soil management groups and six water conservation districts to provide assistance for sustainability. This involved 4,629 general contacts and 356 intensive consultations. Groups initiated 23 different projects under the Covering New Ground Program. The majority of the work was related to forage production and pasture management and included rotational, swath and complementary grazing, pasture renovation practices, and feed quality testing. Funding was also directed to demonstrate methods of providing clean water to livestock, while protecting water quality. Crop projects included demonstrations for new crops as well as numerous crop and pest management field days. The Parkland Crop Diversification Foundation carried out the majority of the crop diversification projects across the Northwest Region.

MAF is involved in many activities focussing on water quality in the region, including three watershed studies and various demonstrations. The Swan Lake Basin, Shell River, and Valley River are the three watersheds and the process is at a different stage in each one. The Swan Lake Basin Stakeholders Board has given tentative approval to a management plan for the basin, based on the perceived needs of the area. The Shell River Watershed Quality Board is working with the Roblin Soil Conservation Corporation to initiate projects related to livestock. The Valley River Watershed Board will be receiving the consultant's report on the river and four tributaries this summer.

Funds from the Livestock Stewardship Initiative were used to gather information related to bison, sheep, and goat manure. This information will be used to help build a database for the Manure Application Rate Calculator program. Initial results have shown a large variability in the amount of nutrient contents in the manure.

The Riparian Health Council continued to bring people and information together to tackle issues related to the impact of the beef industry on water quality. This council will assist the region in the adoption of environmental practices by the beef industry.

Northwest Regional Census Canada statistics related to agriculture, were used as a template when various reports were prepared, as background documents for the environmental component of the Agriculture Policy Framework. These statistics were used at the provincial level as well as at the regional stakeholders' meeting regarding setting priorities for Covering New Ground.

Home Economics

The challenge of food safety and quality, emphasizing and effectively communicating the safety and quality of Manitoba food products, while promoting agriculture and the food industry, was a key focus area. The Food Safety Champion Team worked on key issues, while the Home Economist's Food Safety Initiative created resources for catering and community groups.

The two-day Direct Farm Marketing Conference, with the theme *Marketing Think Direct,* incorporated new groups such as the Medicinal and Aromatic Plants Association of Manitoba (MAPAM) and the Fruit Growers Association. The Country Market doubled in size. There were educational seminars designed to meet the needs of the various groups represented from the Farmers Market to the strawberry and herb producers.

The challenge of keeping farms safe was addressed by organizing *ABC on the Farm Safety Training*. Various farm safety events were held in the Region, while a Farm Safety Day Camp was held in Inglis with 150 in attendance.

Home Economists worked closely with the Swan Valley Enterprise Centre, economic development groups, and other agencies to support diversification and value-added activities.

Facilitating the transfer of the farm between the beginning farmer and retired producers was a priority of various events. An event in Swan River held in partnership with the Swan Valley Credit Union attracted over 140 farmers. As well, focus centered on developing community leadership capacity by resource development and staff training.

With the support of a variety of community partners, 1,340 contacts were made in 4-H programming. Junior events were held in all Home Economic districts and executive, communication, and leader workshops were requested. The Exchanges Canada Trip and the International Youth Entrepreneurship Project were coordinated in the Russell district. Three new 4-H clubs were established in the Region.

Through work with strategic partners and various community organizations, Wellness Workshops were held in Swan River with 110 participants, and *Body Image – The Beauty of Diversity* was held in Russell with 165 in attendance. Various Wellness fairs and displays were held throughout the Region in partnership with community organizations.

In total, there were 3,442 general contacts and 1,571 in-depth Home Economics contacts in the Region.

Manitoba Crop Insurance

Staff allocated approximately five percent of their time to the Manitoba Crop Insurance Program. In addition to detailed program explanations, staff involvement included Seeded Acreage Reports, Final Production Reports, and Confirmation Reports.

Agricultural Crown Lands

Four land representatives monitored and administered 903,957 acres of agricultural Crown land, representing 903 forage lease holders. In addition, 16 cropping leases, 36 casual hay/grazing permits, and 83 renewable hay/grazing permits were issued.

Staff were involved in a number of projects with lessees to demonstrate the integration of range management principles into their ranching practices. The Garland Project and the Benchmarking Project are two focus areas. The Garland Project is a long-term, multi-partnered research project designed to evaluate resource interaction/compatibility (hardwood timber harvesting versus grazing) and to demonstrate multi-resource sustainability. The Benchmarking Project is also a long-term project designed to collect yield data on various vegetation and soil types on native ranges. This information will assist with efforts relative to native range management.

Sustainable Development

In 2002/2003, the Northwest Region participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development.

To meet the intent of Principle #1, Integration of Environment and Economic Decisions, the Region participated in the following activities:

- Information concerning the use of efficient, cost effective, and environmentally friendly resources and inputs for crop production was provided through the use of technology transfer, publications, and applied research.

To meet the intent of Principle #3, Shared Responsibility and Understanding, the Region participated in the following activities:

- To educate students of the benefits of shelterbelts and trees, over 2,000 seedlings were provided to grade three and four students across the region. There are five Project 2000 groups in the Region and 15 individuals were involved with farm transfer planning sessions. Bridging Generations Initiative attracted 30 new clients associated with 23 new Bridging loans and the associated management credit. Staff continued to support farm families by facilitating farm succession planning.

- The Region, in collaboration with local groups, demonstrated extending the grazing options through projects with 12 producers. These projects resulted in the reduction of the amount of manure accumulated, as animals were confined for fewer days.

- Staff worked with the Prairie Farm Rehabilitation to deliver holistic, multi-use resource approaches to landscape management. At the community level, stakeholder boards, such as the Swan Lake Basin Stakeholders group, have many interests represented including agriculture, wildlife, aboriginal communities, and education.

- The Region hosted a workshop in conjunction with the Southwest Region in order to raise awareness of the impact of climate change on agriculture. Staff were also involved in planning the *Envirothon* event, in which the theme was Agricultural Soil Management.

- There were over 4,000 individual contacts and 80 in-depth consultations for on-farm conservation and sustainable activities in the region. Fourteen meetings were conducted with producers on sustainable farming topics, which were requested through local conservation groups. As well, public consultation was held to provide input into the environment chapter of the Agriculture Policy Framework.

- Covering New Ground projects provided information through tours, newsletters, and workshops. Over 1,000 clients participated in these events. One of these events was a beef feedlot runoff control demonstration and field day.

- The Region continued to demonstrate inter-agency and multi-resource planning. The Garland Grazing Project is one example, as it evaluates the impact of grazing strategies on re-growth of hardwood species. This project is a result of the Crown Lands land use planning system, which includes all resource users, taking into consideration the impact of management on all resources.

To meet the intent of Principle #4, Prevention, the Region participated in the following activities:

- Three watershed organizations in the region are developing strategies to protect water quality at the local level. These areas include the Shell River, Valley River, and the Swan Lake Basin. The boards represent many community concerns, such as wildlife, fisheries, residential water users, and agriculture. Most of the activities are related to reducing impact from the livestock industry.

- Six local groups received funding through Covering New Ground, to demonstrate sustainable resource management for 23 projects. These projects included livestock watering, improving pasture to prevent erosion while maintaining herd health, and developing grazing strategies for areas harvested for hardwood species.

To meet the intent of Principle #5, Conservation and Enhancement, the Region participated in the following activities:

- The Region supported the Parkland Crop Diversification Foundation, which demonstrated applied research results in over 30 different trials across the region. These trials included forage varieties and testing, industrial hemp fertility, varieties and management, edible beans, and potatoes.

- Manure management plans were completed with livestock producers to prevent water and air quality concerns from developing in the region. At three workshops in the Region, education regarding manure management focussed on beef producers. With the co-operation of Manitoba Conservation and the Brandon Research Station, the Region conducted a number of on-farm trials. In these trials aspen bark was fed at 60 percent levels to cows, 15 percent to backgrounders, and 50 percent levels to elk, resulting in a large saving in the cost of feed. Bedding trials were also conducted.

- Through the Riparian Health Council, which brings the Manitoba Cattle Producer Association, conservation agencies, and MAF together, five people were trained to deliver the message of livestock management within the riparian zone. The Region also encouraged the practice of minimum tillage and zero tillage in order to reduce the number of times that equipment is required to pass over the field. This reduction in tillage translates into a direct drop in the consumption of fossil fuels. Summer fallow acreage has dropped significantly over the last 20 years, resulting in a significant reduction of fossil fuel usage on the farm.

To meet the intent of Principle #6, Rehabilitation and Reclamation, the Region participated in the following activities:

- The Northwest Region worked with producers to plan long-term environmental farm management, in order to benefit future generations and communities in the areas of livestock management and water quality. Staff also assisted in planning improved watering and livestock facility strategies.

- In 17 communities in the Region, 4-H clubs participated in highway clean-up activities.

5 (a) Northwest Region

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,309.1	45.79	2,324.6	(15.5)	
(2) Other Expenditures	803.0		826.5	(23.5)	
TOTAL EXPENDITURES	3,112.1	45.79	3,151.1	(39.0)	

Southwest Region (5b)

Farm Management

In 2002/2003, staff made 5,776 individual general contacts and 1,366 individual in-depth consultations.

The major demand on farm management services continued to be financial counselling. Client service requests from producers, bankers, and others, focussed on farm business planning, farm debt restructuring, mediation services, farm transfer inquiries, production cost analyses, budgeting, record keeping questions, custom rates, business agreements, credit reviews, and business financial analyses.

The Bridging Generations Initiative (BGI) and the Managing for Success farm groups were major program activities. Producers attended a series of seminars to develop their skills in business planning and marketing. In the Region, four seminars were held at four locations, with a total of 78 participants.

Group and individual counselling continued in the area of marketing, including involvement with three grain marketing clubs and four beef marketing clubs. Pasture management and costs of grazing, as well as cattle backgrounding questions, dominated livestock inquiries.

Staff in the Farm Management area devoted their time to computers and the changes to the new Net Income Stabilization Account (NISA). Farm Management Specialists also answered inquiries about the proposed changes and the possible effects of Crop Insurance being a part of the Agricultural Policy Framework (APF) review. The Farm Management Section developed various resource publications and computer programs for distribution to producers and field staff. CropPlan, a new software program, was released and a number of producers have shown interest in this program.

Value-added and diversification inquiries continued from local community Economic Development Boards and producer associations. These inquiries covered such areas as the feasibility and economics of agricultural processing, ethanol, special crops, livestock operations, and agri-tourism.

Crop Production Enhancement

In 2002/2003, some areas in the Region had production issues related to cool weather, drought, and insects such as flea beetles, cutworms, and grasshoppers. Staff were involved in many field calls and consultations concerning these issues. Crop reporting was carried out, and the results were compiled in Carman. As well, the grasshopper-forecasting map was published in farm papers and on the Internet.

Crop diseases played a major role in the production of cereal and oilseed crops. Fusarium Head Blight still remained the major cereal crop disease, with Sclerotina also a concern. Both diseases were monitored by district staff using the Agrometeorological Centre of Excellence (ACE). Disease risk maps were created and made available to producers.

Due to the expanding special crop acres in the Southwest Region, staff were involved with demonstration work and field scouting to support producers in dealing with new risks and methods of controlling weeds, diseases, and insects.

Westman Agricultural Diversification Organization (WADO) completed its first year of operation with Souris Valley Irrigation Centre. WADO was involved in a variety of diversification projects

throughout the Region, such as irrigation projects with potato production and a variety of special crop demonstrations. The organization attended a number of winter meetings and shared project results. These results were also published in an annual report and made available in hard copy and CD.

Interest in forage seed, commercial hay, or forage production for livestock systems, continued to increase as producers looked for ways to optimize forage production and/or decrease production costs.

Forage extension focussed on production and marketing of high quality hay products and pasture production. Activities included species selection, forage establishment, fertilizer management, hay quality assessment, export marketing, high tensile fencing, and pasture management systems and design, extending the grazing season and stockpile forage quality assessments. Information was distributed through demonstration sites, workshops, seminars, fact sheets, and the Pasture School.

Staff made 15,119 general contacts and 2,387 in-depth consultations.

Livestock Production Enhancement

Staff increased their involvement working with livestock producers to develop rations and advise on utilizing alternate opportunity feed. Staff involvement included nutrition work with cow-calf, backgrounding, and feedlot operations on a one-to-one basis, as well as through workshops and public meetings. The Region continued to work with producers on genetic education programs, primarily through bull test stations, herd health programs, and facility design for existing and new operations.

Staff were involved with producers on the expansion phase of the backgrounding and feedlot industries, in the development of site design, feeding management plans, budgets, and market potential. As well, staff were active in the promotion of beef quality assurance through individual contacts and the mass media.

Staff conducted cattle feeder schools due to the increased interest in livestock feeding and pasturing. Risk management issues were at the forefront of many of the discussions concerning cattle feeding. Several display sessions were run on the importance of biosecurity, animal handling, and well being.

Staff continued their work with the sheep and goat producers by assisting in ration balancing. A series of four sheep production meetings were held in the spring along with a more intensive one-day session. The number of sheep and goat farms increased in the region, while the flock size remained relatively small.

Technical reviews were completed for 14 swine projects, two beef operations, and one dairy operation. The approved hog barns accounted for 8,600 new sow spaces, 19,000 feeder spaces, and 10,000 nursery spaces. Two swine projects were rejected by the RM Council. The beef operations increased feeder space by approximately 5,000 head and the dairy herd proposed one 90-cow expansion. Staff participated in 14 conditional use hearings for new livestock operations in the Region. Three new swine producers were enrolled in the Canadian Quality Assurance program.

Staff made 8,719 general contacts and 2,183 in-depth contacts, to provide for technical livestock consultation.

4-H and Youth

In 2002/2003 the Southwest Region's 4-H membership included 1,324 members and 621 4-H leaders participating in 72 clubs. Initiatives in the Region's 4-H program continued in the areas of: enhancing rural leadership; providing training and opportunities in communication; leadership and meeting management; agriculture awareness; and promoting the 4-H program.

The Regional 4-H Council and the 4-H & Youth Specialist, in co-operation with strategic partners, organized a Regional Communications event for 82 young people. Other 4-H events included: Intermediate Activity Day – Pik-a-Day with 4-H for 33 members; a first time opportunity to experience camp for 31 members; and 26 members participated in livestock judging. As well, a 4-H Regional Scholarship was awarded. A new program aiming to build relations amongst Southwest 4-H members at an early age attracted 142 eight to 11 year old members who participated in a series of "Hogwarts School of 4-H Magic" programs. Also, the Southwest senior members were welcomed at the Central Region Conference. The Home Economists, in co-operation with the Regional 4-H Specialist, offered a series of evening workshops for leaders in the Region. Five members applied for 4-H travel opportunities by completing a 4-H Career Portfolio and an interview.

The Southwest Regional Council continued to address their Member Retention Strategy. The goal is to retain 50 percent of members from the ages of nine to 17 by the 2006/2007 4-H year. The priority areas are enhancing project experiences and increasing program flexibility. Provincial co-operation has been initiated in the creation of an annual educational newsletter specific to the leadership of each project and the development of a "Mythbusters" fact sheet to encourage flexible club operations to meet their needs. A regional Teen Adventure Pack program was initiated which attracted eight members, to participate in a regional based project on Backpacking, enabling teens from small clubs to do project work with other teens. A club contest was established which invited innovative, flexible, and fun programs or operating styles which have been adopted by 4-H clubs.

The 4-H program's support of Ag Awareness initiatives was greatly enhanced by partnering with Agriculture in the Classroom – Manitoba, Western Region Subcommittee and Provincial Exhibition Agriculture Education Committee. The council maintains the position of Agriculture Awareness Representative to serve on these committees. The Southwest 4-H Council hosted a Livestock safety interactive display area for Youth Day at Livestock Expo. The Region also supported Ag in the Classroom's inaugural "Amazing Grains" program in the Westman region which attracted 862 students.

The Region supported the Quality Equation driven Livestock Education System by having one beef club complete a second year pilot of the program. The Southwest Light Horse and Pony Association was active in coordinating a Regional 4-H Horse Show with 37 riders. Also, the show hosted a non-competitive novice training component to encourage participation.

Eleven district councils, in co-operation with Manitoba Agriculture and Food (MAF) District staff, organized rallies, fun days, inter-club shows, and appropriate training sessions for members and leaders.

Staff made 12,345 general contacts and 2,391 in-depth contacts, to provide for 4-H and Youth consultations.

Soil and Water Conservation

In 2002/2003, staff made 9,675 individual general contacts and 5,746 individual in-depth consultations.

There were 10 Local Delivery Groups that received funding for 16 projects as well as one direct delivery project within the Southwest Region, delivered through the Covering New Ground (CNG) Program. Projects are categorized into five broad areas including: forage production, crop production, integrated pest management, water quality, and communication activities. Ration balancing, stockpile forage quality, flea beetle control, salinity control, manure use on forage and annual crops, leafy spurge control, remote livestock watering systems, and riparian management were some of the project topics which received funding. Many of these projects and activities are further described in the Region's Sustainable Development section.

A Train the Trainer project was initiated, involving 25 people representing a variety of partners in a five day educational training event on the principles of riparian management. Regional staff also assisted in the development of facilitation techniques needed to promote the principles and practices of riparian management to others.

In the area of manure management, staff assisted producers in the development of manure management plans. A number of field demonstrations were completed using livestock manure on crops, including forages.

Additional activities and events were undertaken in order to enhance communications and the adoption of best management practices in the soil and water area. A quarterly newsletter with a 10,000 copy circulation was distributed to farm families across the Region.

Fifteen field days were held with a combined attendance of 550. The audience ranged from municipal councilors, conservation district staff, weed supervisors, cattle producers, students, and other producers.

Covering New Ground projects were presented at a total of 32 meetings with a combined attendance of 2,078. The audience consisted of grain and livestock producers, researchers, and municipal councilors.

Home Economics

The Home Economics program continued to direct programming towards the strategic routes as outlined in Destination 2010. The focus of this initiative was to provide Home Economics services to farm and rural families in the strategic areas throughout the region, emphasizing Leadership, Marketing, Risk Communications, and Food Safety.

Programs carried out under the Farm Profitability route included on-going support to Project 2000. Farm Safety presentations were facilitated to Preschool Wellness Fairs, school groups, and safety days. Support was given in compiling the 2003 Family Living Costs and Budget Guides. Staff also participated in the "Amazing Grains" program at the Brandon Summer Fair.

Food Safety and Quality was highlighted at displays set up at community events such as Health Fairs, presentations to community catering groups, and through news columns.

Home Economists continued to work in the Diversification and Value–Added area through support of the Agri-Tourism Associations, the Southwest Farm Women's Network, and individuals. Ninety-five people participated in exposure tours involving rural businesses in the Minnedosa/Neepawa area.

The two-day Direct Farm Marketing conference provided marketing skills to 150 participants. The conference partnered with Prairie Fruit Growers and the Medicinal and Aromatic Plants Association of Manitoba. "Marketing...Think Direct" was the theme of the conference and topics included: the art of selling yourself and your products; making the connection between

agriculture, food, and tourism; production topics for fruit and medicinal plants; and customer service.

In support of Market Development, an "Assembling the Marketing Pieces" display was featured at Ag Days. Specific emphasis was on Market Analysis, Market Strategy and Promotion, Sales Success, and Building Better Business Connections.

A regional cuisine tour with the theme "Follow Your Nose" took place in the Minnedosa area. Twenty participants visited Classen's Berries, SunRay Bison, Lady Slipper Tea House, Trans Pacific Apiaries, Casa Maley Bed and Breakfast, and the Sandy Lake Ukrainian Cultural and Heritage Museum.

Staff were involved in 250 group meetings involving 7,620 participants. There were 108 news columns, five newsletters, five radio and television spots, and 35 displays generated. Individual assistance included 4,101 general and 887 in-depth consultations.

Agricultural Crown Lands

The Crown Land Representatives located in Brandon and Neepawa administered 235,016 acres of agricultural Crown lands including 426 forage leases, 21 cropping leases, and approximately 120 hay or grazing permits. Crown Lands District Offices are responsible for administration of the agricultural use on all Crown lands identified for agricultural production. This includes:

- Ensuring land and lessees are in compliance with the Crown lands Act and the Forage Lease contract
- Setting and collecting of all rentals
- Authorization of all improvements on Crown land
- Receiving applications for advertised Crown land
- Completing administrative requirement.

The land and client information was recorded by the Land Representatives on the NOVALIS database. This system provides Land Representatives with the ability to provide timely and accurate information for clients and other departmental staff.

The Land Representatives represent the agricultural interests at the local level, the Southwest Bloc Planning Committee, relative to the Provincial Government's land use planning system. This system outlines a process whereby Crown land is designated for its allowable use, emphasizing the multi-resource concept wherever appropriate. Consequently, Land Representatives act as liaisons between agricultural users and other resource users such as wildlife, forestry, mining, and recreation.

Sustainable Development

In 2002/2003, the Southwest Region participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development.

To meet the intent of Principle #1, Integration of Environment and Economic Decisions, the Region participated in the following activities:

- Sustainable development in crop production improved in the Region. Staff provided information concerning seeding rates, weed control, and harvesting to producers through one on one consultation, demonstration sites, summer field diagnostic schools, and publications.

- A CNG project examined 900 forage and feed grain samples from 278 livestock producers. Follow-up with producers enabled a balanced ration to be formulated specifically suited to their needs. Another CNG project investigated the application of an airborne method (LIDAR) for measurement of elevation in agricultural landscapes. This information was used to identify landscape elements, estimate the storage of soil carbon, and to characterize the potential for soil erosion and can be utilized to develop crop rotations, and to reduce input and energy costs.

To meet the intent of Principle #2, Stewardship, the Region participated in the following activities:

- The forage program conducted a variety of sustainable development projects. The Southwest Region completed three years of Stockpile Forage Quality testing. The results enabled staff to recommend suitable forages for the purpose of stockpile grazing, which assisted producers in the reduction of winter feed costs. Technical expertise and assistance was also provided to the grassroots Mixed-Grass Prairie Stewardship Program in the Carberry area. This program provides grassland owners with information about the ecology and management of native prairie, and primarily focuses on livestock producers that use the land for pasture.

To meet the intent of Principle #3, Shared Responsibility and Understanding, the Region participated in the following activities:

- Throughout the livestock program, emphasis was placed on the environmental sustainability issues relating to good riparian and pasture management, and in particular, confined livestock feeding. There were six manure/nutrient management meetings held in the Region with approximately 90 to 100 producers in attendance.

- Staff worked with the RM Councils, where barns were being proposed, to assist with information on manure storage covers and proper manure application by the barn managers. Staff also worked with livestock producers, custom manure applications, and other government departments to provide information on proper manure storage and application to protect the environment.

- The Southwest Region was involved in a number of activities that focussed on water quality. Three projects were conducted with local delivery groups using grazing clubs, remote livestock watering systems, and an educational training event on the principles of riparian management. Staff worked co-operatively with the Riparian Health Council as participants on the Southwest regional working group. This working group brings the Manitoba Cattle Producers Association, conservation agencies, and others together to tackle issues related to the impact of the beef industry on water quality. This group will assist the Region in the adoption of environmental practices by the beef industry. A five day workshop was held for agency staff on the principles of riparian management in order to promote the principles and practices or riparian management to others.

- Staff was responsible for the planning and delivery of field programs, which included agricultural sustainability projects, and for providing training and technical information to producers. Field programming involved activities related to manure management and soil and land management, including reduced tillage. In the Southwest Region, 10 local delivery groups received funding. These projects can be categorized into five broad areas including: forage production, crop production, integrated pest management, water quality, and communication activities. Stakeholders were consulted in the development of management plans for large unconfined aquifers such as the Oak Lake Aquifer and the Assiniboine Delta Aquifer. Management plans were also prepared with the assistance of MAF staff for Killarney Lake, Shoal Lake, and the Broughton's Creek watershed.

- CNG projects also included a communications component comprised of tours, newsletters, seminars, news releases, and workshops. One project compiled four regional newsletters, each with a circulation of 10,000, to make producers aware of sustainable agriculture practices, project results, and programs.

- Home Economists continued to partner with the Network of Community Enterprise Development Centres and the Learning for Life committees to sponsor Lunch and Learn events in several communities. Home Economists also worked with community groups to build leadership and community capacity. Activities included program planning, strategic planning, mentoring, and meeting management. Some of the groups included the Community Development Corporations, Community Enterprise Centres, Healthy Communities Committees, Chambers of Commerce, Women's Institutes, Agricultural Societies, Farmer's markets, schools, and the Manitoba Farm Women's Conference. Support was also given to Pesticide Free Production, Canola Growers, and Holistic Management groups.

To meet the intent of Principle #5, Conservation and Enhancement, the Region participated in the following activities:

- The hog industry in the Region continued to grow, leading to an increase in fertilizer and manure application. Staff assisted producers in understanding the proper fertilizer rates for crops and the potential for high nitrogen using crops such as forages, through one on one contacts, meetings, and Ag Challenges articles. As well, demonstrations were done to help producers look at different fertilizer application methods under conservation tillage.

- In the crop production category, one project utilized various saline pasture/hay mixtures as a means to control salinity. Another project examined the flea beetle control achieved when different proportions of the canola seed contain an insecticide in the seed treatment. This was conducted at three different sites throughout the region. One project compared different seeding dates and recorded the effects on test weight and quality of oat production throughout the region. A comparison was also made regarding the effect of fungicide applications at six sites. Another project examined the use of manure forms in crop production systems such as: agronomic considerations of manure use on forage and annual crops; comparisons of short-term and long-term residual nitrogen and phosphorus by manure types; and the effect of manure type on soil quality parameters. This project used five manure/fertilizer combinations and three cropping systems in three locations on clay loam soils.

To meet the intent of Principle #6, Rehabilitation and Reclamation, the Region participated in the following activities:

- The Grassland Specialist provided expertise regarding the use of sensitive riparian areas in livestock production systems through a number of workshops in co-operation with Conservation Districts and Prairie Farm Rehabilitation Administration (PFRA).

- Integrated pest management issues such as Leafy Spurge were the focus of two projects under CNG within the Region. One project demonstrated the effect of using sheep to manage Leafy Spurge, a noxious weed on infested pastures. This project examined the status of the Leafy Spurge population five years after the completion of a previous project which examined various chemical and grazing treatments. Another project increased awareness at the municipal level about the extent and impact of Leafy Spurge infestation through a combination of demonstration and awareness activities. The project examined Leafy Spurge infestation in four selected municipalities and developed integrated pest management strategies for each.

- Regional focus was on the sustainable management of Crown lands. Encroachment of brush onto traditional grassland areas is a problem in native pastures, as the result of this encroachment is productivity loss. This occurrence is mainly due to the absence of fire, which was historically how nature maintained its natural state. MAF promotes brush control methods to reclaim the native grassland areas, thereby dealing with the losses occurring relative to productivity and biodiversity. The work is being carried out mainly in the mixed-grass prairie areas using controlled burns, mechanical methods such as bark scrapers, roller choppers, and bulldozing, animal impact, and herbicide control.

- Staff have developed several projects to improve native grass and riparian management. The management techniques include fencing riparian areas, and developing off-site watering and rotational grazing systems. These techniques have enhanced the forage production and improved the distribution of grazing pressure on the native pastures.

To meet the intent of Principle #7, Global Responsibility, the Region participated in the following activities:

- Staff worked with the Manitoba-North Dakota Zero Tillage Farmers Association to host an annual two-day workshop. The workshop was held in Brandon and was attended by approximately 400 producers. As well, a summer tour was held in North Dakota. The goal of the Association is to promote zero tillage as a management practice. Staff also worked collaboratively with the Manitoba Zero Tillage Research Association on various projects and initiatives.

5 (b) Southwest Region

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,469.4	46.83	2,542.0	(72.6)	
(2) Other Expenditures	707.9		721.1	(13.2)	
TOTAL EXPENDITURES	3,177.3	46.83	3,263.1	(85.8)	

Central Region (5c)

Farm Management

Farm management staff provided consultation and information to farmers in the areas of financial planning, credit and debt restructuring, risk management, cost of production, value-added and diversification, marketing, business organization, taxation, and family farm transfers. Staff also assisted in updating the cost of production publications and preparing farm management training resources, which included developing course material for the Management Training Credit component of the Bridging Generations Initiative.

A total of 7,140 general farm management contacts were made with producers and 1,420 intensive contacts involved 232 individual farm families.

The Region has 39 individuals representing 32 families in the Bridging Generations Initiative. Regional staff continued to work with these individuals to assess and schedule their training needs.

Staff continued to emphasize farm financial planning. The farm planning computer program called FarmPlan was demonstrated to 75 producers, lending institution personnel, and at general farm meetings throughout the Region.

Crop Production Enhancement

Crop production enhancement activity involved 23,259 general and 3,227 in-depth contacts with clients.

Regional staff were involved in numerous cropping activities that addressed crop type, crop variety adaptation, and new crop development. Staff were involved in replicated evaluations addressing crop variety at Treherne and Portage la Prairie, both sites being comprehensive satellite sites for the Manitoba Crop Variety Evaluation Team (MCVET). Agronomic demonstration sites were established at these locations and at Baldur, Rosebank, and Crystal City. Demonstrations involved such areas as the new development of crops, fertility manipulations, drought-cropping options, manure application, seed treatments, insect monitoring, and disease scouting. Tours were conducted at each location with more than 500 people in attendance. Self-guided tours occurred at these demonstration sites throughout the growing season. A comprehensive grazing and forage site was established in the Pilot Mound District at Cartwright. The objective of this site is to demonstrate several different perennial forage grasses and legumes, and to demonstrate various aspects of grazing management.

There were 77 one-day events such as tours, meetings, and seminars addressing crop and livestock production with more than 4,134 clients in attendance. Two in-depth training courses (compiling four days) were also offered with more than 60 clients participating. Topics included alternative crop opportunities, Fusarium Head Blight management, winter wheat production, weed seedling identification, disease and insect update/management, herbicide product updates, genetically modified varieties, and fertilizer management.

Staff assisted in the coordination and delivery of cropping activities at the Portage la Prairie and Winkler Manitoba Crop Diversification Centres (MCDC). Crop research and demonstrations included: forage establishment and production, nutraceutical and medicinal crops, field beans, soybeans, fungicide trials, and annual silage crops.

Livestock Production Enhancement

Central Region staff made 7,418 contacts with beef clients, including 1,524 in-depth consultations.

Beef clients were provided with technical extension expertise on a wide range of topics including: beef nutrition information, feed testing, ration building, rotational grazing systems, forage management, extended fall grazing, fencing, and improved water systems and quality. Economics and farm management topics included beef cow lease agreements, pasture leasing, beef marketing information, feed lot management, and budgeting. Producers requested and were provided with information on National Identification, Quality Starts Here, herd health practices, Foot and Mouth Disease, safe handling of cattle, manure management, environment guidelines, and riparian area management. Staff supported the 4-H Program through judging and selection workshops, fat stock sales, 4-H beef shows, office administration, and records.

Central Region beef production meetings included: the Holland Beef Day, Treherne Calf IRM Workshop, Plum Coulee Beef Grazing Meeting, Pilot Mound BASA (Beef) Annual Meeting, Gladstone Feeder Calf Outlook Meeting, Benchland Annual Meeting, Portage Beef Marketing Workshop, and the Austin Beef Producers Meeting.

There were a total of 2,014 contacts regarding livestock facilities. There were 319 contacts relating to other livestock including bison, elk, ratite, goats, sheep and rabbits, and staff had 197 contacts concerning livestock insects and disease. There were also 92 contacts regarding livestock performance programs.

Extension staff had 168 contacts with dairy producers, through individual consultations, at meetings, or other events of which 35 were in-depth. Technical information and advice was given on many subjects, including: forage quality and cutting times; forage preservation, management, marketing; milking management, mastitis prevention, milk quality; feed sampling, interpretation, feeding plans; calf and heifer management; dairy facilities and feeding systems; animal health and herd bio-security concerns; and financial management, budgets, and quota issues. The Central Manitoba Holstein Club had a successful year regarding events and activities such as Dairy Day and Central Show. Other dairy events included a fall tour to the Interlake, the Provincial 4-H Dairy Show, and a Dairy Day in Carman with over 160 people in attendance.

Staff provided swine extension information to producers, local governments, and agri-business through 2,341 consultations through individual contacts and at group meetings. Regional activities included two manure extension meetings, two swine marketing and nutrition meetings, one meeting explaining raising pigs on straw, and three general information meetings explaining the Manitoba swine industry.

Other activities by staff included assisting with the organization of the 17th Annual Swine Seminar and coordinating the Region's Technical Review Team.

The Regional Technical Review Committee reviewed a total of 35 applications for proposed livestock operations during fiscal year 2002/2003. As required by the terms of reference for the Technical Review Committee, staff carried out 43 site inspections comprised of 383 quarter sections for the purpose of evaluating site conditions and the proponent's manure management strategy.

There were 35 proposals reviewed by the Technical Review Committee, of which 19 were approved by municipal councils. One proposal was not approved, and at present, nine proposals are before the council. As well, six Technical Review reports are in the final

stages of completion. Out of the 35 applications for livestock operations where a Technical Review was requested, 31 applications were for hog operations and two were for both poultry and dairy operations.

4-H and Youth

In 2002/2003 Central Region had a 4-H membership of 1,000 members and 440 leaders. District and Regional staff made 10,435 general and 1,440 in-depth contacts. Rural leadership development, communication skills training, meeting management experience, agricultural awareness, and technical skill development were all supported by the 10 district councils, 58 clubs, and Manitoba Agriculture and Food (MAF) staff. The Manitoba 4-H program's Quality Equation (quality people + quality experiences + quality projects = 4-H Quality Equation) has become an underlying premise of all activities planned in the Region. Through regional, district, and club activities, rural youth are allowed to develop from a healthy blend of competitive and non-competitive experiences.

The annual regional communications event, organized by the Regional 4-H Council and the 4-H & Youth Specialist, attracted 103 4-H members in 11 categories. Other regional 4-H events included the Senior Members' (15-19 year old) Conference with 46 participants and the Central Region Adventure for Zestful Youth (C.R.A.Z.Y.) Camp for 36 intermediate (13-14 year old) 4-H members. The Central Region Educational Weekend (C.R.E.W.) Camp provided a weekend retreat experience for 57 junior (11-12 year old) 4-H members. A joint initiative with the Eastern/Interlake Region was held for Senior Members in which 85 members, including 30 members from the Central Region, enjoyed friendship and learning at a "Sleepover Under the Stars" at the Manitoba Museum.

The primary clients of the 4-H Program included 4-H members, parents, and leaders. The program provided clients with an opportunity to improve their leadership, communication, meeting management, and life skills.

The Regional Equine Association planned a Regional 4-H Horse Show with 25 participants. District 4-H Councils were involved in a variety of activities that provided educational and other opportunities for members and leaders including meeting management and communications workshops, rallies, bonspiels, potluck meals, and recreational sports days.

Soil and Water Conservation

In the fifth year of the Covering New Ground program, staff provided assistance to 11 Local Delivery Groups. In the area of soil conservation, staff made 5,416 general client contacts and 844 in-depth contacts. In the area of water management, staff made 3,342 general client contacts and 689 in-depth contacts.

The major focus of projects in the region was the ongoing support of producer directed demonstration and diagnostic sites highlighting sustainable cropping practices, environmental management practices, and soil conservation. Initiatives involved "Checkstrips" at Rosebank, Baldur, and Crystal City, and "New Crop Adaptation" in Portage la Prairie. The sites provided a diagnostic component for clients interested in Integrated Pest Management, as well as demonstrating crop diversification options, new crop options, and their adaptation to local producers. Over 400 interested clients participated in activities such as field demonstrations, soil conservation trials, and sustainable crop rotation plots.

Regional highlights included: manure analysis followed up with manure management planning; extended/alternative grazing system promotion; feed testing; forage quality assessment; pulse crop management; sealing abandoned wells; and pasture micronutrient analysis.

A number of communication activities were held in the Region. Eight summer tours were held with approximately 250 producers in attendance, and eight annual technical meetings were held with approximately 200 producers in attendance. The Checkstrips series, which was comprised of eight biweekly articles, was sent to local papers. In addition, 25 newspaper articles were distributed throughout the region to local newspapers and 24 newsletters.

Home Economics

Staff made 2,762 individual contacts, and held 104 group sessions with 4,050 participants.

Home Economists supported the Diversification and Adding Value route through group sessions and individual contacts. Support was given to agri-tourism business members of two tourism networks. A Business Basics program was presented to students in several classes. Additionally, individual consultation assistance was given to individuals considering or involved in diversification or value-added activities on their farm.

Farm safety activities in the Region were carried out in support of the Farm Profitability route. Staff assisted in the delivery of the "Always Be Careful (ABC) on the Farm Safety" provincial training. Sixty-two individuals were trained at five locations throughout the province. One staff member assisted with the planning of the safety component of the Amazing Grains programs at both the Red River Exhibition grounds and the Provincial Fair in Brandon. Home Economists staffed displays during the two events. Two farm safety day camps were held in the Region with over 150 students participating. Ten group sessions were given to 652 participants. All farm safety programming was completed in co-operation with other regional staff as well as community resource to individuals and agencies. The agencies included: the Community Farm Safety Project, Farm Safety 4 Just Kids chapters, Farmers with Disabilities, and Progressive Farmer Safety day camps.

Food Safety and Quality programming included a regional FoodSTEPS workshop, which was targeted to beginning, small, and medium-sized food processors to help them address their food safety and quality responsibilities. One Home Economist served on the Food Safety provincial resource development team with the Provincial Specialist. Thirteen food safety sessions were held with over 470 people in attendance.

In support of Market Development, two group sessions were held promoting Manitoba food products. Agricultural Awareness programs targeted mainly the non-farming public. Home Economists assisted in staffing displays at district fairs, as well as Amazing Grains, and Ag Days. Smaller group sessions were also held with both youth and adults.

Value-Added and Diversification

Staff provided information to farm families, entrepreneurs, agri-business, and producer organizations in the area of value-added and diversification. Staff made a total of 4,171 general contacts and 198 in-depth consultations.

Staff assisted with the planning and organization of a number of Provincial and Regional Conferences and events including: the Honey, Garlic, and Maple Syrup Festival in

Manitou; the Direct Farm Marketing Conference in Brandon; the South Central Tourism Network; and Recapturing Wealth on the Canadian Prairies in Brandon.

Staff also worked closely with many Community Development Organizations and provided information for projects such as ethanol and special crops processing.

Manitoba Crop Insurance

Central Region staff allocated seven percent of their time to the Manitoba Crop Insurance Program. Staff routinely assisted in the explanation and compilation of over 4,000 Seeded Acreage Reports, 4,000 Harvested Production Reports, and the sale of additional hail insurance.

Engineering

Livestock and environmental issues continued to be the main focus of the engineering activities within the Region. Presentations on these issues were given at four producer meetings and one staff meeting. The producer meetings were part of the Region's continuing emphasis of the "Manure as a Resource" theme. Concerns related to crop storage, due to unfavourable fall conditions, resulted in 13 storage and aeration requirement inquiries for various crops. An unseasonable cold period this winter resulted in eight ventilation troubleshooting calls leading to ventilation modifications for these livestock facilities.

Facility or component planning was completed for 11 beef, four dairy, and two hog facilities. In addition, seven environmental assessments related to manure storage or handling and seven inquiries were structural or engineering related. Also, one farmstead plan was completed.

Agricultural Crown Lands

Land Representatives located in Dominion City, Teulon, and Neepawa monitored and administered 291,059 acres of agricultural Crown land within the Central Region.

Land Representatives, in co-operation with Regional staff and the Agricultural Crown Lands Branch, administered the disposition of agricultural Crown land, and encouraged enhanced land management and production. The dispositions consisted of 754 forage leases, 45 cropping leases, 171 renewable hay/grazing permits, and 32 casual hay/grazing permits.

The main activity of staff was to administer long-term forage and cropping leases on Crown land classified for agricultural use. The assessment of Crown land for multi-resource utilization was the responsibility of the Central Bloc Planning Committee and Southwest Bloc Planning Committee. Other activities included the administration of Provincial Waterways and administration of the Portage Diversion and Red River Floodway projects.

Sustainable Development

In 2002/2003, the Central Region participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development.

To meet the intent of Principle #1, Integration of Environment and Economic Decisions, the Region participated in the following activities:

- As producers searched for higher net returns, diversification and value-added inquiries increased regarding livestock, special crops, and potato production. Staff worked with producers to provide production information and cost of production information to producers diversifying into these commodities for the first time.

- Numerous on-farm tests were conducted to evaluate new technologies with producers and to determine the economic viability of new products. On-farm tests included: pest management in flax, micronutrient fertility, field bean variety comparisons, and Fusarium Head Blight variety and fungicide management. Results were compiled and distributed at extension meetings, as well as in newsletters and newspaper articles. Staff coordinated and conducted the Provincial Weed Survey within the Region. Approximately 200 fields had a field survey conducted with a follow-up management questionnaire.

To meet the intent of Principle #2, Stewardship, the Region participated in the following activities:

- Department staff represented the agricultural interests regarding Crown Land to the Provincial Government's Crown Land Use Planning System. This system outlines the Crown Land that is designated for use, and emphasizes both the multiple resource concept and sustainability principles.

To meet the intent of Principle #3, Shared Responsibility and Understanding, the Region participated in the following activities:

- Staff continued to support leadership development initiatives within 4-H, Agricultural Society, and Women's Institute programs. Staff provided both technical and leadership development information for clients in the 4-H program. One staff member was on the Education Committee of the Winkler Aquifier Management Advisory Board.

- Diversification information for crops and livestock opportunities was provided to producers. Information on soybean production and marketing was provided through field days and a Soybean Day held in Morden. Eighteen other meetings pertaining to livestock and the environment were held. The majority of these meetings dealt with pending changes to the Livestock Manure and Mortalities Management regulation. In addition, engineering reports for 30 technical reviews, as well as an investigation and four follow-up investigations for the Farm Practices Board were completed.

To meet the intent of Principle #5, Conservation and Enhancement, the Region participated in the following activities:

- Staff continued to highlight sustainable cropping practices, environmental management practices, and soil conservation. Manure management strategy, environment guidelines, and riparian area management continued to be priorities.

- Staff worked with various water management organizations, such as the Winkler Aquifier Management Board, Stephenfield Lake Watershed Management Plan, Northwest Red Water Management Association, South Tobacco Creek Model Watershed Project, Treherne Dam Committee, and the Coleman Watershed Management Plan. As well, staff provided technical support to the Conservation Districts in the Region, including the Pembina Valley Conservation District, RedBoyne LaSalle, and the Tiger Hills Conservation District. Staff also assisted with 15 Riparian Projects in conjunction with the Manitoba Habitat Heritage Corporation, through the Regional Riparian Health Council.

- Projects concerning water quality were undertaken in the Region, including the South Tobacco Creek Project, which included a detailed study of agricultural land use in relation to environmental factors. This project was directed by the Deerwood Soil & Water Management Association with technical assistance from MAF, as well as financial assistance from Covering New Ground. Research activities included small dam headwater storage, preservation of water quality through headwater storage, comparison of run-off water quality between conventional and zero-tillage, the study of manure applied to a small watershed and the impact on water quality, the analysis of sediment loading in the watershed, and maintenance of background run-off water quality data.

To meet the intent of Principle #6, Rehabilitation and Reclamation, the Region participated in the following activities:

- The encroachment of brush onto traditional grassland area is a serious problem in native pastures, as it results in loss of productivity. MAF promoted brush control methods to reclaim the native grassland areas in order to deal with the losses occurring relative to productivity and biodiversity, and was conducted within the multiple resource/sustainability principles. The methods used included animal impact and controlled burns, as well as mechanical methods such as bark scraping, wiping, drumrolling, roller chopping, and mowing. Land Representatives acted as liaisons between agricultural users and resource users such as wildlife, forestry, mining, and recreation.

5 (c) Central Region

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,210.7	45.79	2,509.8	(299.1)	1
(2) Other Expenditures	662.1		689.8	(27.7)	
TOTAL EXPENDITURES	2,872.8	45.79	3,199.6	(326.8)	

1. *The variance under authority was mainly the result of vacancies, which the department was attempting to manage as part of the government-wide fiscal restraints, so as not to adversely affect client service.*

Eastern/Interlake Region (5d)

Farm Management

Farm Management information was provided to producers and agri-businesses through 3,317 general contacts, 1,646 in-depth consultations, and a variety of farm management extension meetings. These contacts covered topics such as production economics, financial management, record keeping, business arrangements, marketing, and estate planning.

Three 25 hour training sessions were held for Bridging Generations clients in Stonewall, Beausejour, and Arborg. Regional Farm Management Specialists assisted in the delivery of these sessions, which were organized by the Agricultural Representatives and Home Economists. A four day Succession Planning Course was held at Lower Fort Garry with approximately 40 producers attending each session.

Staff provided information and assistance to producers on government safety net programs such as the Canadian Farm Income Program (CFIP), Net Income Stabilization Account (NISA), and the Manitoba Crop Insurance Program.

Crop Production Enhancement

Crop production information was provided through 12,120 individual general contacts and 2,195 in-depth consultations that provided clients with detailed information on crop production issues.

Cash and export hay markets to the USA and Asian countries have continued to be areas of interest. Staff were involved in: sourcing and developing new export markets; developing trade missions and displays such as the World Dairy Expo in Wisconsin and the Washington Hay Growers Conference; and developing newsletters targeting for regional hay producers and marketers. Regional hay lists continued to be important in identifying potential supplies for local and export markets.

Extension activities were centered on the agronomy and management techniques required to produce good quality exportable hay. Numerous demonstration plots were developed throughout the Region to support this effort. Staff continued to support the establishment and development of a viable hay processing industry in the Region and Province.

Grazing management was of increased interest to clients in the Region, by both traditional livestock producers and general crop farmers who were considering diversifying into forages and livestock. Regional staff organized a provincial grazing school and a regional one day grazing seminar. Pasture planning workshops and on-farm consultations continued, and included projects such as utilizing hog manure as a fertility source for pastures and annual crops.

Staff participated in rotational grazing demonstrations and various forage related projects located at the Narcisse Community Pasture and several on-farm sites. The goals of these projects were to demonstrate effective pasture management, maximize gain on pasture forage varieties, and to continue to attract producers as consignors of cattle and tour/workshop participants.

Regional staff assisted the provincial forage adaptation and variety testing program, with test centres at Arborg, St. Pierre, and Neepawa. Activities included the evaluation of forage cultivars for herbage yield and winter hardiness. Staff also co-operated with the Manitoba Forage Seed Association (MFSA) in the operation of the Western Grass Seed Test, a variety test coordinated out of Alberta that involved the Western Provinces. Timothy cultivars were also evaluated for quality and disease resistance for use in the compacted Timothy Hay industry.

Regional staff were involved in forage research and development in Western Canada for both forage seed and forage management. This involvement occurred in co-operation with Agriculture and Agri-Food Canada, other provincial departments, MFSA, seed trade companies, and the University of Manitoba. Staff assisted in the publication of *Seed Manitoba* and in supervising the publication of the *Forage Seed News*, a national publication, as well as the updated publication of Forage Seed Production manuals.

Regional staff have led efforts in developing the grass seed production industry in Western Canada, and have also coordinated a major investigation effort in weed control in forage crops. Staff also led efforts to address disease issues in both legume and grass seed crops with a series of investigative trials across Manitoba. Through these efforts, several pesticide products were supported for minor use evaluation by Agriculture and Agri-Food Canada.

Regional staff assisted provincial specialists in evaluating, testing, and promoting new cropping options including the establishment of the Stonewall and District Innovative Crops Committee in the South Interlake. Staff also worked with Agriculture and Agri-Food Canada, the University of Manitoba, industry, and commodity groups on winter wheat, oats, soybeans, and edible beans. Staff provided local data on the performance of new varieties of large acreage crops and demonstrations of novel/special crops through the use of three Manitoba Crop Variety Evaluation Team (MCVET) sites and a Grow with Canola site. Staff organized meetings and tours to present the new crops and varieties to producers and industry partners.

Staff assisted in the writing and editing of provincial publications providing producers with timely crop production and protection information. Staff organized district, regional, and provincial crop production meetings and tours on crop related topics. Crop commodity clubs provided producers with in-depth production and marketing skills.

Soil and Water Conservation

Eight participating groups received funding for 38 projects, which were augmented by two regional projects, under the Covering New Ground Program, Manitoba's agricultural sustainability initiative.

On-farm conservation and sustainable agricultural activities included field days, meeting presentations, newsletters/releases, and other media coverage, and reached in excess of 130,000 producers, municipal councilors, and general public. Staff conducted 4,680 consultations regarding agricultural conservation planning and programming. Approximately 2,500 farmers, municipal officials, and non-agricultural residents participated in 19 meetings and 29 field days.

Staff responded to 200 subdivision requests and inspected over 100 sites to evaluate those requests. Eleven meetings were held with municipalities on zoning and land use issues. Two Provincial Technical Advisory Committee meetings were attended. Staff continued to assist seven planning districts and 30 rural municipalities in reviewing development plans and zoning bylaws. Eight farm practices complaints were reviewed and submitted to the Provincial Farm Practices Protection Board.

The Regional Technical Review Committee reviewed a total of 38 applications for proposed livestock operations. As required by the terms of reference for the Technical Review Committee, staff carried out 44 site inspections comprised of 443 quarter sections for the purpose of evaluating site conditions and the proponent's manure management strategy. During the process, staff had 120 contacts with proponents of new and/or expanding livestock operations, 37 contacts with municipal councils, 29 contacts with the general public, 24 contacts with consultants on behalf of the proponents, and 286 contacts with members of the Technical Review Committee. The Committee reviewed 38 proposals, 12 were approved by municipal councils and

10 were not approved. Thirty-five of these proposals were for hog operations, with one report requested for dairy, beef, and bison operations.

Livestock Production Enhancement

Livestock extension activities included 4,719 general contacts and 1,884 in-depth consultations.

Beef Extension

Staff made 2,496 general contacts and 1,063 in-depth consultations relating to production, nutrition, breeding, insect and disease control, pasture management, livestock facilities, cattle handling, record keeping and performance programs, as well as marketing. The Region also hosted three of five Manitoba Beef Producer Seminars, which were held in Rosa, Teulon, and Eriksdale. Over 600 producers and 100 members of the agriculture and agri-business community attended these sessions that addressed topics such as value chains and diseases, and their implications to the industry, grazing systems, water quality, cattle market outlook, and bovine tuberculosis update. During the year, other district meetings were held throughout the region and addressed topics such as backgrounding nutrition, marketing, animal health, silage production, mineral nutrition, feed processing, fly control, bull evaluation and selection, fencing technologies, record keeping, and cow-calf management. Over 100 producers and extension staff from Manitoba and the USA toured pasture watering systems and had a fencing demonstration in southeast Manitoba. There was also a field day with over 150 producers, which demonstrated different feed processors and livestock equipment.

The Gunton Bull Test Station, in conjunction with the Interlake Livestock and Forage Improvement Association (ILFIA) operated a livestock evaluation centre. Tests were conducted on 226 bulls, which included yearling fall born bulls and two-year-olds. A herd of 105 cows purchased by ILFIA through a Manitoba Agricultural Credit Corporation (MACC) loan has been used in grazing projects at Gunton and Narcisse pasture trials.

Dairy Extension

Dairy extension activities included 317 general and 178 in-depth consultations. The Region's two dairy clubs, comprised of 450 dairy producers, continued their activities. Staff organized regional and district dairy seminars, tours, and clinics that included topics such as milking management, udder health, estate planning, nutrition, facility expansion, and improved efficiencies in dairy operations. Staff were involved in two of the four largest regional seminars in the province that attracted an attendance of about 300 producers.

Swine Extension

Construction of new barns and expansions decreased this year, but proposals related to pig production continued to be submitted. Staff were involved with 766 general discussions and 333 in-depth consultations. Eleven district meetings discussed topics on swine nutrition, economics, marketing, odour control, straw based systems, and advances in mixing feed on the farm. New technologies for manure management were evaluated by several individuals including solids separators, new lagoon covers, and manure additives. Co-operation with the University of Manitoba on two research projects increased producer understanding of vomitoxin (DON) and other antinutritive contaminants of feed grains.

Staff assisted producers in preparing expansion proposals to rural councils and also with preparing manure management plans. Visiting groups from Mongolia and Ontario discussed pig production techniques in Manitoba.

Agricultural Engineering Extension

Agricultural engineering extension included 296 general and 250 in-depth consultations. Engineering activities covered beef, dairy, swine, poultry, and equine ranching (PMU), with an emphasis addressing beef facilities regarding environment modification or corrections. A preliminary design was developed for an impervious pad with a collection basin on sandy soils for composting of solid manure from hoop structure barns, in collaboration with Agriculture and Agri-Food Canada. A leachate collection system was designed and installed to evaluate the use of chipped tires and large gravel as a capillary break under cattle pens. A demonstration and evaluation was conducted on the use of Earthzyme as soil cementation for the pad under the bedded pack within hoop shelters. Other activities included comparison of manure fertilizer application methods on forages, drainage design, and the preliminary design of the Ashern Veterinary Clinic. Assistance was given in the preparation of 38 Technical Review Reports for livestock operations in the Region.

4-H and Youth

Regional staff supported an active 4-H program, which involved 1,191 members and 456 leaders participating in 59 4-H clubs. The focus of the Region's program was to provide training and opportunities in communication, leadership, and skill development. Farm and rural safety and agriculture awareness themes were also incorporated into youth activities in the Region.

Several activities occurred in conjunction with the Regional 4-H Councils. These activities included: training events, a senior members' conference, three senior member activities, three intermediate level conferences or events, one regional junior member activity, two regional communications events, a one week camping program, two horse shows, and a regional beef day. As well, bursaries were awarded by the Regional 4-H Councils. In co-operation with staff, 11 district councils organized training events, rallies, fun days, 10 district leader appreciation nights, and district communication events. The district council also presented achievement awards.

During the year, staff made 9,067 general contacts and 1,321 in-depth contacts with 4-H clients. Clients use the 4-H program to improve their leadership, communication, production, and life skills.

Home Economics

Family Connections, in its 28th year of publication, was written and edited by regional Home Economists three times and covered topics related to Manitoba Agriculture and Food's strategic road map. The magazine had a circulation of over 3,000 farm and rural families. The June, October, and February issues were posted on the Manitoba Agriculture and Food (MAF) website. A survey of all readers was included in the October issue asking questions regarding receiving the magazine via email, charging a subscription fee, suggestions for future issues, and the demographics of the readers. Other communication activities included writing news columns for local newspapers, radio spots, and office newsletters.

All regional Home Economists are involved in the Provincial Bold New Initiatives. The Food Safety BNI and the Leadership BNI developed valuable resources which are used by staff.

A Regional Cuisine Initiative was spearheaded in the Eastern/Interlake Region with the development of a Regional Cuisine Website Directory, providing over 50 Manitoba producers a link with chefs and restaurateurs to market more than 70 locally produced foods.

Retirement/succession planning sessions for Bridging Generations clients were carried out in conjunction with the Agricultural Representatives and Farm Management Specialists.

Leadership skill development activities included involvement with 4-H, agricultural societies, Women's Institute, and strategic alliances, as well as farm safety and wellness days throughout the Region. Provincial activities included working with the Direct Farm Marketing Conference and the Manitoba Farm Women's Conference.

Home Economists staffed displays at the Red River Exhibition and Amazing Grains to promote agriculture awareness and farm safety to the urban/rural consumer. Regional Home Economists organized and promoted tours and a job fair for grade 10 students focusing on the diversity of agriculture in the Region.

Regional Home Economists were involved in 6,382 general contacts and 1,013 in-depth consultations.

Value-Added and Diversification

Staff provided advice and technical information to producers and rural entrepreneurs on a variety of value-added and diversification ventures. Information included business development, marketing, financing, production technology, and the economics of value-added and diversified agricultural products. There were 1,421 general contacts and 253 in-depth contacts for value-added and diversification.

Consultations, seminar presentations, and tours were held involving areas such as: ethanol, fish farm, niger seed for birdseed market, beef feedlot, saskatoon production, grass-fed livestock, roasting soybeans, custom composting, regional cuisine, sea buckthorn, hemp, biodiesel, Christmas trees, woodlots (hybrid poplar), herbs and spices, flax as a nutraceutical, oriental vegetables, pastured poultry, agri-tourism, bed and breakfasts, rural craft businesses, organic production, pesticide-free production, greenhouses, market gardens, U-pick fruits and vegetables, food processing, food service, mushrooms, consumer trends, marketing, and value chains.

Consultations included the use of the Kitchen to Market kit (Blue Box) by food processors in the developmental stages. As well, ErosionBlanket.com expanded its plant operation in Riverton.

Manitoba Crop Insurance

Eastern/Interlake Region staff allocated approximately four percent of their time to the Manitoba Crop Insurance Program. Staff provided support through 505 general and 110 in-depth consultations regarding program explanation, Seeded Acreage Reports, and Harvested Production Reports.

Agricultural Crown Lands

Land Representatives are responsible for administering Crown lands identified for agricultural production, and for encouraging improved management and production of those lands. Four Land Representatives located in Dominion City, Teulon, Arborg, and Ashern monitored and administered 546,185 acres of agricultural Crown land. The four districts have a total of 978

forage leases, 45 cropping leases, 51 casual hay/grazing permits, and 228 renewable hay/grazing permits.

Sustainable Development

In 2002/2003, the Eastern/Interlake Region participated in a number of sustainable development activities, taking into consideration the Principles and Guidelines of Sustainable Development.

The Covering New Ground Program (CNG), Manitoba's agricultural sustainability initiative, was a priority in the Eastern/Interlake Region. Fourty CNG supported projects in partnership with nine regional agro-environment focussed producer groups addressed several of the Principles and Guidelines outlined in Section 12 (2) under the Sustainable Development Act:

To meet the intent of Principle #1, Integration of Environment and Economic Decisions, the Region participated in the following activities:

- Grain producers investigated alternate sources of income from their existing land base. The advancement in Management Intensive Grazing techniques created an opportunity for greater sustainable efficiencies. Improved forage species selection, increased use of electric fencing equipment, environmentally friendly water systems, and improved herd health monitoring can be attributed to the adaptation of intensive grazing practices.

- The Innovative Crops project addressed new crops that have the potential of being produced in the South Interlake. New crops include crops not currently produced by farmers, as well as crops that have the potential of being marketed for nutraceutical and health purposes. The project evaluated these crops for agronomic performance and for yield potential.

- The Low Cost Sod Seeding project was designed to evaluate the most successful sod seeding methods to use. Farmers on marginal land require low cost methods of re-establishing forage crops. Successful establishment depends on factors such as time of seeding, weed control, equipment, and species.

- The Beef Manure Application Comparison project investigated questions that cattle producers often ask regarding the management of the manure from their cow-calf operation such as what the best application method and what time of the year are best. The environmental and economic consequences of the different methods of spreading manure and the cattle's acceptability to these methods will be answered by this project.

- The objective of the Quality Hay project was to demonstrate the value in using some of the innovative machinery and techniques to dry hay quicker. High quality hay is economically and nutritionally more valuable as well as agriculturally more sustainable as fewer resources are required when used to maintain a given livestock base, and it is more efficient when used to produce beef. One farm meeting was organized to deal with topics such as crop rotation, forages, budgets, grazing, and forage marketing.

To meet the intent of Principle #2, Stewardship, the Region participated in the following activities:

- The Regional Technical Review Committee reviewed 38 applications for proposed livestock operations during the fiscal year 2002/2003. As required by the terms of reference for the Technical Review Committees, staff conducted 44 site inspections comprised of 443-quarter sections for the purpose of evaluating site conditions and the proponent's manure management strategy. During the process, staff had 120 contacts with proponents of new and/or expanding livestock operations, 37 contacts with municipal councils, 29 contacts with

the general public, 24 contacts with consultants on behalf of the proponents, and 286 contacts with members of the Technical Review Committee. Thirty-eight proposals were reviewed by the Committee. Twelve of these proposals were approved and 10 were not approved. Two Technical Reviews were withdrawn and one was placed on hold. At present, seven proposals are before council and six reports are in the final stages of completion. Of the 38 applications for livestock operations where a Technical Review was requested, 35 applications were for hog operations with one report requested each for a dairy, beef, and bison operation.

- As well, increased attention on proper management of hog manure led to concerns over long-term nutrient accumulation and potential over-application of manure, especially on lighter soils. A project was undertaken to provide a long-term demonstration of the importance of manure management on crops and forage yields, and on sustainable nutrient levels in the soil, as well as to enhance the existing project with an additional annual crop site on light soil.

To meet the intent of Principle #3, Shared Responsibility and Understanding, the Region participated in the following activities:

- The hog industry has increased rapidly in southeastern Manitoba, and the economic impact of the industry has not been extensively studied. The Rural Municipality of Stuartburn was chosen for a study of the impact of large hog farms. Stuartburn currently has approximately 12 large hog operations already established, and one under construction. The objective of this project was to provide the Stuartburn/Piney Agricultural Development Association (SPADA) with reliable information about the economic impact generated by these large hog barns. This information will be used in discussions with interested parties in southeastern Manitoba to evaluate the future development of the hog industry.

- Eight participating groups received funding for 38 projects, which were augmented by two regional projects under CNG. On-farm conservation and sustainable agricultural activities including field days, a meeting presentation, newsletters/releases and other media coverage reached in excess of 130,000 producers, municipal councillors, and the general public. Staff conducted 4,680 consultations regarding agricultural conservation planning and programming. Approximately 2,500 farmers, municipal officials, and non-agricultural residents participated in 19 meetings and 29 field days.

- The South Interlake Forage Seed Club created awareness amongst 13 grain producers, of the opportunities in forage seed production, through participation in field days, tours, and meetings. MAF staff, the forage seed industry, and experienced forage seed producers were involved in this awareness through teaching and sharing their experience with producers.

- In 2002, alfalfa seed production was concentrated on with new, existing, and potential growers. In 2002 three new growers were taught how to incubate their own alfalfa leaf-cutter bees and how to manage the pollination of their own alfalfa seed fields.

- There was a large amount of interest in ethanol/alcohol production from industries, government, and producers. As low grade grains and forages are able to be used for ethanol/alcohol production, a winter seminar was hosted that dealt with the topic of ethanol/alcohol production, and support was provided to investigate productions in the Eastern/Interlake Region.

- The Agriculture Canada Research Centre Field Day provided approximately 40 beef producers in the Northern Interlake with the opportunity to tour the Brandon Research Centre and learn about their Integrated Beef Systems Research Program. The enhanced utilization of annual and perennial forages in extended grazing and alternative winter feeding programs and improved cow/heifer productivity will have an economic and environmental impact on the Region.

- South East Soil Conservation Organization (SESCO) projects are aimed at demonstrating environmentally sustainable practices. Extension meetings, newsletters, news releases, mail-outs, tours, and field days were utilized to extend to producers the information collected by SESCO through its farm demonstration sites.

To meet the intent of Principle #4, Prevention, the Region participated in the following activities:

- The objective of the Brush and Weed Control project was demonstrate and aid the removal of nuisance and noxious brush and weeds, and to improve the productivity of pastures in the Region, thereby making them more sustainable. This project intended to improve and renovate existing spraying equipment to be very portable and appropriate for catching outbreaks before they spread. This project also provided a variety of weeds and brush herbicides to demonstrate their efficiency in the Region.

To meet the intent of Principle #5, Conservation and Enhancement, the Region participated in the following activities:

- Crop Nutrient Planning was a pilot project developed as a self-monitoring and reporting system for nutrient management planning on Manitoba grain farms. Crop Nutrient Planning addressed the development of user friendly forms and tables that grain farmers can complete and use as a tool for planning crop nutrient application rates, that meet the crop requirements and also do not pose a threat to the environment. The system was based on soil test results completed post harvest. The project consisted of one farmer who completed soil testing and used the information to complete a planning guide. The fields will be monitored for several years to evaluate the parameters and system.

- Due to concern regarding ground water pollution and the need to maintain the quality and potability of local groundwater, it is necessary that all abandoned well sites are mapped and eventually sealed or secured. The Mapping of Abandoned Wells project was designed to locate and document the particulars of abandoned wells in preparation to have them sealed properly in the future. Identifying abandoned wells and documenting the nature of the threat each pose to the environment is the first step in ensuring sustainable sources of high quality drinking water. As well, water quality for cattle on pasture is important, and the Testing Water Quality on Pasture project was created to provide more data on water quality under different watering systems to local producers.

- The cropping systems project demonstrated and evaluated the use of crop inputs of seed treatments including soil phosphate enhancement innoculants that can reduce the continued use of phosphate fertilizers on cereal and oilseed crops. Seed treatment for nitrogen-fixing legume type crops were also evaluated on soybean and edible bean crops and yield data was collected to compare the treatments to conventional fertilizer applications.

- **The Winter Wheat Sustainable Crop Production project was designed to enhance the production and yield potential of winter wheat in the South Interlake. The project had a number of field days, demonstrations, and meetings to address the management practices.**

- **The disposal of livestock manure on alfalfa fields has steadily increased, as increasing dairy herd sizes and competition for spread acres from the hog industry has lead to more manure being applied to alfalfa fields. Six alfalfa fields, both manured and non-manured, were monitored.**

- **A project was undertaken regarding nutrient movement under a bedded livestock pack in order to develop a better understanding of the difference in management systems on leachate movement under livestock housing facilities. The information will be compiled and used at extension meetings to help with the planning and management of confining livestock on manure packs. This project increased technical information and designs to protect groundwater quality under manure packs.**

5 (d) Eastern/Interlake Region

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	3,271.6	66.46	3,457.0	(185.4)	
(2) Other Expenditures	1,143.3		1,238.0	(94.7)	
TOTAL EXPENDITURES	4,414.9	66.46	4,695.0	(280.1)	

Agricultural Crown Lands (5e)

The primary objective of the Agricultural Crown Lands Branch is to administer leases and permits as set out in policy, and to represent the agricultural interests in Crown Lands for the benefit of both lessees and the Province of Manitoba.

The Branch represents the agricultural interests in the Provincial Government's assessment of Crown land for multi-resource use. Staff participate actively on the Bloc Planning Committee and the Crown Land Classification Committee to ensure that suitable lands are classified for agricultural use.

During 2002/2003, the Branch provided administration and management of 2.4 million acres of Crown land with 2,299 long-term forage leases involving 1,573,971 acres, and 79 cropping leases, involving 11,589 acres. The remaining lands are offered for permit on a yearly basis.

Agricultural Crown Lands staff provide a liaison with Prairie Farm Rehabilitation Administration (PFRA) and their community pasture program that operates primarily on Provincial Crown land. During the 2002 summer grazing season, approximately 56,809 head of cattle and 3,528 horses/colts used 24 PFRA pastures.

5 (e) Agricultural Crown Lands

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	630.6	15.00	654.7	(24.1)	
(2) Other Expenditures	252.9		275.9	(23.0)	
TOTAL EXPENDITURES	883.5	15.00	930.6	(47.1)	

Policy and Economics (6)

The Policy and Economics Division coordinates long-term policy and program development for Manitoba Agriculture and Food (MAF). This Division conducts analysis and provides agricultural statistics, marketing, and production information to the general public and staff. Policy and Economics provides funding for the administration of various boards and commissions.

Economics (6a)

The primary objectives of the Economics Branch are: to provide analysis/evaluation and management support documents towards enhancing the economy and effectiveness of the Department's programs and activities; to provide central budget/estimates support through the preparation of narratives through all major phases of the Department's Estimates process; to provide coordination of long term policy and program development within the Department; and to provide agricultural statistical, marketing, and production information to farmers, the agriculture and agri-food industry, and staff.

Program Analysis Section

During 2002/2003, the Program Analysis Section prepared and coordinated program narratives for the Department's preliminary and final Estimates document, the *Supplementary Information for Legislative Review* publication and other explanatory documents in support of MAF's proposed budget. Also, staff coordinated and edited the *Estimates Debate Book* in conjunction with the Financial Administration Branch of the Department.

The Program Analysis Section coordinated and edited an updated version of the *Programs and Services* profiles found on the Department's Home Page. These profiles inform readers, especially the public, of client services available through the Department. In addition, the Section also coordinated the annual updating of other documents.

The Section coordinated the completion of several surveys, including compilation of data on the Department's research and scientific activities. Further, the Section provided the Department with leadership and coordination in the implementation of its new vision document, entitled *Destination 2010*. Staff communicated the Department's progress in implementing *Destination 2010*, including the launching of a new intranet website, developed and updated in collaboration with Home Page personnel.

The Branch was involved on the Home Page Management Committee that provided leadership in coordinating information on the Department's Home Page. The Department's Home Page is located on the World Wide Web, where producers, agribusiness, and MAF staff obtain timely information concerning crop production, livestock production, and current climate conditions. The Home Page serves as a tool to inform the general public about Manitoba's diverse, safe, and nutritious products. Staff maintain over 8,000 files online, and the site receives over 500,000 hits per month.

Some of the 2002/2003 enhancements for the Home Page involved: the Crop Residue Program (database); Manitoba Weekly Crop Report (fast template); Regional Cuisine Directory (site and database); Food Products Directory (database); Manitoba Hay and Straw Listing (database); Manitoba Farm Safety and Health (site and database); Food Development Centre (database); Covering New Ground (database); and the Manitoba Agricultural Credit Corporation (MACC) Interest Rates (fast template).

The Section also plays a leadership role in the Project 2000 Initiative. This program is aimed at providing support to young and beginning farmers as well as intergenerational transfer issues. There are three components including mentoring, "Your Future in Farming", and "Bridging Generations Initiative", the financial component, through MACC.

Policy Analysis Section

During 2002/2003, the Policy Analysis Section participated in agricultural policy review processes such as safety net development, international and internal trade, transportation, grain marketing, environment and adaptation, and adjustment initiatives representing Manitoba. Staff participated in regional and provincial meetings to update producers and staff on agricultural policy issues. Staff participated as members of three Destination 2010 Champion Teams including Sustainability, Diversification and Adding Value and Market Development.

Staff participated in a federal-provincial-territorial process to broaden the Framework Agreements. These agreements guide the development and management of safety nets in Canada into an Agricultural Policy Framework (APF). This framework encompasses Business Risk Management, Renewal, Environment, Food Safety and Food Quality, and Science and Innovation components. After the agreement was signed by Manitoba, staff was involved in the development of the Canada-Manitoba Implementation Agreement for the APF. As well, staff members were involved in the development of two programs, including production assistance and New Net Income Stabilization Account (NISA) of safety nets to replace the current set of safety net programs, which included the replacement of the current Canadian Farm Income Program (CFIP) and current NISA with New NISA.

The Section participated in the continued development of the Agri-Food Research and Development Initiative (ARDI) from an operational perspective. Staff also provided the secretariat and some research proposal review services for the ARDI Council. Staff also participated in the monitoring of the federal grain handling and transportation reforms.

The Section provided input for bilateral trade negotiations with the United States (US) on issues such as dairy, cattle, the Canadian Wheat Board (CWB) and grain, and with the European Union (EU) on issues such as the hormone ban in cattle, through the following activities:

- Staff monitored and provided analysis on the US Farm Bill
- Staff had extensive involvement in the analysis of proposed Country of Origin Labeling (COOL) from the US Farm Bill
- Staff participated in planning for a third annual Northern Plains Producers Conference to be held in Fargo, which assists in developing a better understanding between producers in Canada and the USA of their commonalities and joint trade issues
- Staff participated in analysis of the impacts of the US Bioterrorism initiatives
- Staff continued joint development on a strategy with stakeholders for the next round of the World Trade Organization (WTO), and provided input on Sanitary/Phytosanitary (SPS), and genetically modified organisms (GMOs) issues
- Staff represented Manitoba in the Federal-Provincial Agricultural Trade Policy Committee (FPATPC)

The Section analyzed several farm taxation issues such as provincial sales tax on farm resources and inputs, property taxation on farm land and buildings and federal taxation on farm fuels. Staff also assisted in the further development of New Generation Co-operatives in order to serve as a model for value-added agricultural activities. Also, staff further developed and implemented the Motivation, Morale, and Recognition Strategy for MAF, which included a formal recognition program plan and a Managing to Motivate component for managers.

Market Analysis & Statistics Section

The Market Analysis and Statistics Section assisted Statistics Canada with data preparation and advised Statistics Canada staff on how to improve the accuracy of selected Manitoba agricultural statistics. The section published the annual *Manitoba Agricultural Review* and the annual *Manitoba Agriculture Yearbook*. Statistical releases were prepared on items such as quarterly farm cash receipts, net farm income forecasts, farm finance and bankruptcies, crop production estimates, and trade data. Other publications prepared by staff included *Manitoba Agricultural Statistics*, *Manitoba Livestock Industry Profiles*, *Manitoba Poultry Industry Profiles*, *Manitoba Grains* and *Oilseeds Industry Profiles*, *Manitoba Pulse, Forage and Specialty Crops Industry Profiles*, and *Manitoba Potatoes*, and *Other Vegetables Industry Profiles*.

A large portion of staff time involved assisting producers and other members of the agri-food industry and general public with requests for agricultural statistical and marketing data and forecasts.

The Market Analysis and Statistics Section prepared and published the *Manitoba Markets Weekly Report* which summarizes crop and livestock market conditions. Periodic market outlook presentations were prepared, with public presentations made to producer groups and GrainWorld 2003 in Manitoba. Staff also participated in regional meetings throughout the year to update farmers and staff on current market conditions and prospects.

Staff participated in the calculation/assessment of appropriate crop and livestock prices for use in various programs such as those administered by the Manitoba Crop Insurance Corporation (MCIC), Canadian Farm Income Program (CFIP), and the Manitoba Agricultural Credit Corporation.

6 (a) Economics

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,212.6	19.00	1,242.3	(29.7)	
(2) Other Expenditures	280.2		373.9	(93.7)	
TOTAL EXPENDITURES	1,492.8	19.00	1,616.2	(123.4)	

Boards and Commissions Support Services (6b)

Boards and Commissions Support Services includes the following council, agency, boards and commission:

- Manitoba Farm Products Marketing Council,
- Manitoba Milk Prices Review Commission,
- Manitoba Farm Machinery Board,
- Agricultural Producers' Organization Certification Agency,
- Manitoba Farm Practices Protection Board
- Manitoba Farm Mediation Board, and
- Manitoba Farm Lands Ownership Board

Manitoba Farm Products Marketing Council

The objective of the Manitoba Farm Products Marketing Council is to provide effective administration of *The Farm Products Marketing Act*. The Council is responsible for supervising the operations of various boards and commissions, and enforcing the regulations. It serves as an appeal body for individuals affected by a regulation, order, or decision of these boards and commission.

Staff support the work of the Council members by providing required background documentation and analysis for meetings and appeals. As well, staff reviewed regulatory proposals and amendments and national marketing issues. Council staff advise the Department Executive on marketing policy issues and respond to public and producer inquiries. They maintain regular contact with management staff of the boards and commission, other provincial supervisory councils, and the National Farm Products Council.

In 2002/2003, the Council supervised the following boards and commission:

- Manitoba Beekeepers' Association,
- Manitoba Broiler Hatching Egg Commission,
- Manitoba Chicken Producers,
- Manitoba Egg Producers,
- Manitoba Milk Producers,
- Manitoba Pork Council,
- Manitoba Turkey Producers, and
- Peak of the Market

The Council convened ten meetings at which two appeals were heard, one investigative hearing was conducted, and 17 delegations made presentations. The Council's activities were primarily focussed on: the enactment of *The Farm Products Marketing Act*; review of the structure and authority of the Manitoba Broiler Hatching Egg Commission; Administration By-Law amendments of the Manitoba Chicken Producers; procedural complaint within the Manitoba Beekeepers' Association; and quota values and inspections relating to the marketing of eggs and potatoes.

Manitoba Beekeepers' Association

The Council received a complaint from a member of the Manitoba Beekeepers' Association (MBA) regarding voting procedures at the 2002 Annual General Meeting. Council conducted an investigation, including a hearing attended by all 12 MBA members, as well as a lawyer that represented several of the individual members.

As a result of the investigation, the Council discovered the following:

- The list of registered producers and designated representatives was not prepared within 30 days following the end of the fiscal year of the Manitoba Beekeepers' Association, as required by section 3(1) of the Administration By-law No. 1/92.
- The provisions in the Administration By-law No. 1/92 pertaining to Designated Representatives were not complied with, as there was no demonstrated initiative to determine the designated representative for each corporation, partnership, or Hutterite Colony.
- An accurate and complete list of registered producers and the determination of the designated representatives of corporations, partnerships, and Hutterite Colonies in accordance with the provisions of the Administration By-law No. 1/92 failed to occur. Therefore, there was a failure to ensure that only individuals who were either registered producers or designated representatives of registered producers were eligible to vote at the MBA's Annual Meeting.
- The provisions of the Administration By-law No. 1/92 were not met. The requirement, as set out in subsection 3(2) of the *Manitoba Honey Marketing Plan Regulation* (M.R. 244/87R), states that the producer board shall be comprised of 12 members, who at all times are registered producers or designated representatives of registered producers, and were also elected in accordance with the provisions of the Administration By-law. The Council concluded that the election of four of the members to the board in 2002 should not be allowed to stand.

The Council directed the Manitoba Beekeepers' Association to develop a registration form acceptable to the Council, to register producers, and to convene a Special General Meeting for the purpose of holding new elections.

Manitoba Broiler Hatching Egg Commission

The Commission was restructured, and the Minister appointed a Chairperson. Upon the recommendations of both the Hatchery Association and the Producer Association, two representatives from the hatcheries and two representatives from the producers were appointed. The Commission members focussed on the recommendations included in the Gislason Report.

One of Manitoba's hatcheries informed four of its broiler hatching egg producers that they were on "termination notice". The hatchery applied to the Manitoba Broiler Hatching Egg Commission to have the producers' production taken by other hatcheries.a

The Commission obtained an agreement among the hatcheries to resolve the termination notices and to ensure that the four producers affected would be able to continue in the industry. This agreement affirmed that 100 percent of the affected producers' production would be accepted by Manitoba hatcheries.

Manitoba Chicken Producers

The Council declined to approve the Manitoba Chicken Producers' (MCP) proposed Administration By-law 1/2002, after the By-law was accepted by the registered producers at a special general meeting. The following decisions were conveyed by the Chair of the Council to MCP:

- The sections in the previous Administration By-law dealing with Member Confidentiality were removed in By-law 1/2002 and should be reinstated.
- The change to exclude broiler hatching egg producers from Board eligibility was not acceptable to the Council.

The MCP agreed to amend the By-law and presented it again to the registered producers at the Annual General Meeting. The members subsequently approved the amended By-law.

Manitoba Egg Producers

Quota prices rose to $91.30 per laying hen. The Manitoba Egg Producers, along with several other boards, expressed concern to the Council regarding the difficulty of having to enforce the "no value on quota" prohibitions in the Quota Order.

The Council authorized one inspection of a non-registered producer's facilities, and it was determined that the producer was over the 499 laying hen limit. A penalty of $560.68 was assessed, and the producer reduced his laying hen numbers in compliance with the order from the Manitoba Egg Producers.

Manitoba Pork Council

Manitoba Pork Council continued to focus primarily on research activities involving manure management, hog production, environmental practices, quality assurance, and animal welfare. Additional activities involved industry training, market development, promotion, and consumer awareness.

The Manitoba Pork Council consists of 13 Directors, eight geographic districts, and five production districts.

The Hog Administration Levy remained at $0.85 per hog and $0.20 per exported weanling. A revised Marketing plan was put into effect.

Manitoba Milk Producers

Manitoba Milk Producers marketed 284.8 million litres of milk during 2001/2002 as compared to 289.3 million litres in 2000/2001. This represents a decrease of 4.5 million litres, or 1.6 percent. Total butterfat production decreased by 0.84 percent, from 10,899,937 kilograms in 2000/2001 to 10,808,568 kilograms in 2001/2002.

Manitoba Milk Producers continued to participate in an all market and all revenue sharing agreements with Saskatchewan, Alberta, and British Columbia. The Coordinating Committee discussed and set policy with respect to the Western Milk Pool. The Technical Committee reviewed the policies proposed by the Coordinating Committee and recommended action on technical matters.

The Coordinating Committee worked on issues such as the Plant of Last Resort Agreement, the inter-provincial milk movement, bio-security, milk promotion, industrial price harmonization, and milk classification.

Manitoba Milk Producers has been a signatory of the All Milk Pooling Agreement (P6). It consisted of the provinces of Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, and Manitoba. Manitoba participated in a revenue sharing pool with these provinces on the basis of comparing the P6 pool average price with each individual province pool averages. However, while Manitoba participated in an all market and all revenue sharing agreement with Saskatchewan, Alberta, and British Columbia, being part of the P6 did not result in any significant benefits to Manitoba producers. Therefore, the cost of maintaining P6 signatory status was deemed an unnecessary expense, and at the Annual General Meeting, the producers passed a resolution resolving that "Manitoba Milk Producers withdraw from the P6 All Milk Pooling Agreement to be effective as soon as possible". Discussions with the other P6 signatories indicated that the other members were satisfied with Manitoba's rationale and subsequent actions.

As a result of the World Trade Organization Appellate Body ruling on the export of Canadian dairy products, Commercial Export Milk (CEM) could no longer be exported by milk producers in Manitoba. To comply with the ruling, Manitoba Milk Producers have repealed their Export Contract Milk Exemption Order.

Manitoba Turkey Producers

The Manitoba Turkey Producers capped quota prices on its exchange. The quota was capped at $2.45 per kilogram, based on the Consumer Price Index of December.

Peak of the Market

The Manitoba Council approved the inspection of several producers respecting the marketing of table potatoes outside the jurisdiction of the Board. As a result, the Board met with representatives of each agricultural operation to outline the regulatory system and the obligations of producers.

Peak of the Market made a presentation to Council in support of a proposed amendment to the Potato Quota Order. The amendment would allow for a quota exchange to be coordinated and run by Peak of the Market on an annual basis.

Manitoba Milk Prices Review Commission

The Manitoba Milk Prices Review Commission was established under *The Milk Prices Review Act,* 1980. Its mandate is to set a producer price for fluid milk, and to monitor and control wholesale and retail milk prices as required. In 2002/2003, the Commission convened two meetings and one conference call.

The Commission met with Manitoba Milk Producers twice during this period to determine if new producer prices for fluid milk were required. The September 2002 Manitoba Dairy Farm Cost of Production (COP) Summary showed a price increase of $1.59/Hl for the producer, increasing the producer price for fluid milk from $71.71/Hl to $73.30/Hl. The Commission recommended that the fluid milk price at the producer level be changed to $73.30/Hl and that the maximum wholesale price and the maximum retail price for homogenized milk be increased by $0.02/litre and increased by $0.01/litre for 2%, 1%, and skim milk for fluid milk sold in 1 litre containers.

The January 2003 Manitoba Dairy Farm COP Summary showed a price increase of $0.64/Hl for the producer, increasing the producer price for fluid milk from $73.30/Hl to $73.94/Hl. The Commission recommended that the fluid milk price at the producer level be changed to $73.94/Hl and that the maximum wholesale price and the maximum retail price for homogenized, 2%, 1%, and skim milk be increased by $0.01/litre.

In setting the producer price equal to the cost of production, the Commission established a fluid butterfat payment/deduction to producers for milk with a butterfat content above/below the 1989/90 dairy-year average level (3.7034 kg of butterfat/Hl of raw milk). This adjustment continued to be valued at $5.3000/kg of butterfat.

The Northern Food Prices Projects Steering Committee reviewed the price of food, including fluid milk, in northern communities. The Committee considered regulating the price of fluid milk in the north the way that fluid milk is currently being regulated in the southern part of the province, and to extend the regulation on maximum prices to include two litre and four litre containers.

Manitoba Farm Machinery Board

The Farm Machinery Board administers *The Manitoba Farm Machinery and Equipment Act*, involving the Board with all segments of the farm implement industry: producers, dealers, distributors, and manufacturers. In 2002/2003, eight board meetings were held.

The Farm Machinery and Equipment Act requires lenders financing farm machinery by means of a lien note security document, to apply to the Board for leave to repossess when an account falls under arrears and before repossession can occur. Manitoba is the only jurisdiction in Canada requiring a quasi-judicial body's judgement before farm machinery repossession can occur.

In 2002/2003, the Board received and processed 123 applications for leave to repossess, a decrease of 18 applications (13 percent) over the same period in 2001/2002. The Board licensed 149 dealers and 92 vendors.

Agricultural Producers' Organization Certification Agency

The Agricultural Producers' Organization Funding Act requires that the Agency certify one general farm policy organization and provide a funding mechanism for designated commodity organizations.

In 2002/2003, the Agency convened one meeting and one conference call.

The Agency conducts annual meetings with the designated commodity associations to review their activities from the past year and to be informed about their anticipated projects for the upcoming year. In 2002/2003 the Agency met with the Manitoba Canola Growers Association, Manitoba Forage Seed Association, Manitoba Pulse Growers Association, Manitoba Corn Growers Association, and the Manitoba Buckwheat Growers Association.

The Agency approved a request from Keystone Agricultural Producers to be the certified organization. The Agricultural Producers' Organization Funding (Agency) Regulation was also approved.

The Agency conducted the Manitoba Flax Growers Association referendum amongst flax producers. The petition was defeated as 53.4 percent of producers voted against the Manitoba Flax Growers Association becoming the designated representative of flax producers in Manitoba. The requirement under *The Agricultural Producers' Organization Funding Act* is 60 percent approval.

The Agency accepted the petition of the Manitoba Sheep Association, and a referendum amongst the flax producers will be conducted early in the 2003/2004 year.

The Agency accepted the revised petition of the National Sunflower Association of Canada and a referendum amongst the sunflower producers will also be undertaken early in the 2003/2004 year.

Manitoba Farm Practices Protection Board

The Farm Practices Protection Act establishes a process for reviewing and mediating disputes arising from practices of legally established agricultural operations. The Act is intended to protect agricultural operations that are conducting their activities in a normal manner, as well as to bring about changes in practices that are unacceptable and disturb neighbors.

During 2002/2003, the Board considered nine complaints and convened four meetings. Five complaints were heard, all of which related to odour disturbances. The Board upheld all five complaints and ordered the agricultural operations to modify their farm practices to be consistent with normal farm practices. One complaint was withdrawn. Three complaints remain pending.

Manitoba Farm Mediation Board

The Manitoba Farm Mediation Board conducts the program delivery activities of *The Family Farm Protection Act*. The Board assists farmers in improving and sustaining their farming operations under difficult economic conditions through mediation with their creditors, financial counselling, and loan payment guarantees.

During 2002/2003, the Board received 106 applications from both farmers and lenders for assistance in resolving financial difficulties. These applications resulted in 99 new mediation cases. There were 58 cases in progress from the previous year, for a total of 157 cases for mediation. Of this total, 109 cases were completed during the year, with 74 requiring a formal mediation process. Of those completed, 52 resulted in an agreement, representing a success rate of 70 percent.

The Board administers the Special Farm Assistance Fund. The Fund was established to help producers obtain an arrangement involving continued credit facilities or a leaseback of property conveyed to creditors. Three types of guarantees were offered in 2002/2003, namely loan payment guarantees, lease payment guarantees, and security value guarantees. Emergency operating assistance may also be provided in urgent situations. In order to qualify for a guarantee, the operation must demonstrate viability and the producer, the lender, and the Board must agree to a farm financial plan.

In 2002/2003, the Board approved guarantees for nine farm clients, with a total liability of $262,000 over a maximum four-year period. There were 49 farmers who had guarantees during the year, with a total potential liability of $546,247. The actual amount paid was $55,639, or ten percent of the liability. The fund is provided by Manitoba Agriculture and Food, through the Manitoba Agricultural Credit Corporation.

The Board held seven meetings to review activities and policy issues, and to consider guarantee requests.

Farm Lands Ownership Board

The Farm Lands Ownership Board considers applications for exemption under the *Farm Lands Ownership Act*, from non-Canadians and public organizations who wish to acquire an interest in farm land in Manitoba. The objective of the Act is to ensure that farmland resources are preserved for existing and future generations of Canadians.

The Act allows unrestricted ownership by all Canadian citizens and permanent residents, strictly Canadian owned organizations, and qualified immigrants. Individuals or corporations not qualifying for unrestricted ownership are limited to 40 acres of farmland unless they receive an exemption from the Board.

In 2002/2003, the Board received 44 applications for exemption, 15 of which involved non-Canadian individuals and corporations. The other 29 involved Canadian-based corporations and other organizations with some non-Canadian interests. There were two applications still under consideration from the previous year. Of the 46 applications that were considered, 44 were

approved and the other two were declined. In 36 of the cases (78 percent), the Board's decision was made within 30 days of receiving the application.

The Board met seven times in 2002/2003 to consider applications for exemption and to review policy issues.

Sustainable Development

The Manitoba Farm Practices Protection Board supports the sustainable expansion of the crop and livestock industries by mediating nuisance disputes between farm operations and the surrounding neighbours. The Board works in co-operation with Manitoba Conservation on complaints that involve possible damage to the environment or ecosystem.

6 (b) Boards and Commissions Support Services

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	385.1	7.19	431.8	(46.7)	
(2) Other Expenditures	524.5		604.6	(80.1)	
TOTAL EXPENDITURES	909.6	7.19	1,036.4	(126.8)	

Agriculture Research and Development (7)

The overall objectives of Agriculture Research and Development are: to provide funding for an agriculture development and research initiative aimed at enhancing diversification and value added opportunities in Manitoba's agri-food sector; to provide funding assistance and support to provincial and local organizations to encourage the adoption of sustainable agricultural practices; and to provide funding in support of agricultural research.

Agri-Food Research and Development Initiative (7a)

The objective of the Agri-Food Research and Development Initiative (ARDI) is to provide funding for research and development in support of economic growth and adaptation of Manitoba's agriculture and agri-food sector to meet the changing realities of the global marketplace.

The Province of Manitoba contributed $700,000 to ARDI in 2002/2003. To date, ARDI has approved over 300 projects with financial commitments totalling $20.5 million over the lifetime of the program. Funding of ARDI by Manitoba has totalled $13.1 million since the program began with a Federal contribution of $4.1 million. ARDI has the objective to provide, on average, 50 percent of total funding for research and development projects, with matching dollars contributed by industry. This will translate into new investments in research and development totalling $41.0 million in Manitoba.

ARDI provides project-by-project financial support to commodity groups, individuals, industry, and institutions based upon expected potential for return on investment dollars. This program focuses on value-added processing, enhanced production, and exporting of higher value products.

There are three major partners involved in the management of the ARDI program. The ARDI Program Council is responsible for developing ARDI program objectives, policies, and project assessment criteria. The Council also prioritizes ARDI funding and approves eligible project proposals. The ARDI Program Council is an independent committee with representatives from the agriculture and agri-food sector, along with federal and provincial non-voting members.

The Manitoba Association of Agricultural Societies (MAAS) carries out the day-to-day administration of ARDI. MAAS accepts and coordinates funding proposals and administers the disbursement of funds. Manitoba Agriculture and Food (MAF) Program Advisors provide advisory assistance to MAAS and the ARDI Program Council, by facilitating assessments of eligible project proposals on behalf of the Council.

In 2002/2003, ARDI helped to fund many diverse projects in the following eligible categories:

- commodities that are well-established and present additional growth or development opportunities;
- commodities that are new or alternative and present opportunities for development in Manitoba;
- innovative development of machinery or equipment for production or processing enhancement;
- biotechnology;

- **sustainability of the resource base and the environment; and**
- **other innovative proposals.**

Sustainable Development

Four ARDI projects that meet the criteria of sustainable development were approved during the 2002/2003 fiscal year for a combined research expenditure of $141,000. The research subjects included: identifying Fusarium Head Blight resistance genes in wheat; and developing a biodegradable mulch for on-farm use created from agri-food industry waste.

7 (a) Agri-Food Research and Development Initiative

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	700.0		1,000.0	(300.0)	1
TOTAL EXPENDITURES	700.0		1,000.0	(300.0)	

1. *The variance under authority was due to the lower amount of projects approved by the Council during the year as a result of the government's fiscal restraints.*

Agricultural Sustainability Initiative – Covering New Ground (7b)

The objectives of the Agricultural Sustainability Initiative are: to facilitate the adoption of effective resource management and environmentally sustainable practices to enhance long term sustainability and competitiveness of the agri-food sector; and to facilitate the conservation and enhancement of the natural soil, water, and atmospheric resources that agriculture uses and shares by ensuring the environmental sustainability of the practices employed in the agri-food sector.

Covering New Ground funds activities in three specific areas: sustainable crop management; sustainable forage/livestock management; and integrated pest management, with a goal of developing on-farm management activities to address environmental challenges. Delivery of programming occurs through: local producer groups on a four-region basis; provincial based commodity and agricultural organizations; and two regional crop diversification centres – the Parkland Crop Diversification Foundation and the Souris Valley Irrigation Centre.

In 2002/2003 the four regions delivered programming totaling approximately $522,000.

The Southwest Region, through 10 local delivery groups, undertook 15 projects. The three priority areas for the Southwest Region were: crop production; livestock production; and forage production.

Six local groups delivered 17 projects in the Northwest Region. The three priority areas for the Northwest Region were: Pasture/Forages and the Environment; Agriculture and Environmental Water Quality Issues; and Annual Crop Production and the Environment.

Ten local delivery groups undertook approximately 32 Central Region projects. The three priority areas for the Central Region were: Appropriate Land Use and Promotions of Best Management Practices; Water Quality and Quantity; and Input Management.

The Eastern/Interlake Region, through nine local delivery groups, undertook and coordinated 36 projects. The three priority areas for the Eastern/Interlake Region were: Forage and Forage Seed Production; Livestock Production; and Crop Production.

Eleven provincial organizations, with the support of Manitoba Agriculture and Food (MAF) staff, carried out a wide range of activities funded at $311,500. The three priority areas for the Provincial Group were: Fertilizer and Manure Impacts on Soil and Landscapes; Erosion on Sensitive Soils and Landscapes; and Agriculture Pest Management Strategies.

The two regional crop diversification centres in Melita and Roblin conducted 32 different trials dealing with crop diversification opportunities, including irrigated crop production. Funding for the two centres was approximately $145,000.

Communication of activities occurred through newsletters, radio interviews, news releases and articles, seminars, workshops, field days, fact sheets, guides, reports, and other extension materials.

Sustainable Development

In 2002/2003 the CNG program followed a number of the Principles and Guidelines of Sustainable Development.

The Soils and Crops Branch administers the provincial agricultural sustainability initiative, or the Covering New Ground (CNG) program. The mandate of the CNG program is to promote the awareness and adoption of agricultural practices that promote economic sustainability while improving the long-term sustainability of the natural ecosystem and social institutions. CNG accomplishes this mandate by partnering with local producer groups, provincial commodity associations, and crop diversification centres to deliver applied research, demonstration, and technology transfer projects. A listing of all CNG project results can be found at www.gov.mb.ca/agriculture/research/covering/projects/project-tables.html.

To meet the intent of Principle #1, Integration of Environment and Economic Decisions, the CNG program participated in the following activities:

- Projects such as *Multi-species Grazing for Pasture Improvement* and *Integrated Control of Forage Legume Diseases* look for environmentally and economically sustainable solutions to producer concerns.

- One of the CNG priorities for the Central Region is to promote and increase appropriate land use and best management practices. These are practices that consider environmental and economic benefits.

- The *Leafy Spurge in Manitoba – Issues and Impacts* project recognized that there was both an environmental and economic concern about the spread of leafy spurge. The proponents have been successful in receiving contributions and action from producers, municipal governments, and other stakeholders. This allows for a balanced and integrated approach to addressing a common concern.

To meet the intent of Principle #2, Stewardship, the CNG program participated in the following activities:

- By providing a source of funding that is accessible at the grassroots level, the CNG program is encouraging producers and local organizations to develop their vision of sustainable agriculture.

- In a recent consultation, producers understood that the term "sustainable agriculture: and the responsibility of "stewards of the land" recognizes the importance of maintaining agriculture resources for future generations.

- The *Use of Manure in Zero Tillage Cropping Systems* project examines ways to incorporate hog manure as a fertilizer in zero-till agriculture. This project builds on one sustainable agriculture technique – zero tillage – and examines how man-made chemical inputs can be replaced by livestock manure.

To meet the intent of Principle #3, Shared Responsibility and Understanding, the CNG program participated in the following activities:

- The CNG program addresses the principle of shared responsibility and understanding by bringing together partners from government, producers, environmental organizations, industry, and academic institutions. CNG projects are developed by partners with shared goals and understandings.

- Public education and involvement is a component in the majority of CNG projects. The CNG focuses on partnerships with local organizations and also promotes public involvement.

- CNG projects have developed newsletters and fact sheets for producers and hosted field trips and workshops. A primary objective of many CNG funded projects is the dissemination of information about new technologies and techniques for sustainable agriculture.

- Projects such as the *Community Well Testing* project and the *South Tobacco Creek* project raise awareness about sustainability issues in the community.

To meet the intent of Principle #4, Prevention, the CNG program participated in the following activities:

- Many CNG projects are designed to monitor, prevent, and mitigate adverse environmental, social, and economic effects. For example, one of the CNG priorities for the Northwest Region is a 10 percent decrease in agricultural density along waterways to help prevent phosphate contamination and stream bank erosion.

- The *Monitoring Water Quality in the Whitemouth River* project monitors surface water quality. One of the outcomes of the project is a historical record of water quality that can be used to identify changes over time, and possibly be used to trigger mitigation.

To meet the intent of Principle #5, Conservation and Enhancement, the CNG program participated in the following activities:

- The *Annual Shelterbelt* project promotes a technique that encourages soil conservation.

- The *Soil Testing to Greater Depth* project, for example, encourages producers to test soil nutrient levels to two feet, rather than six inches as is often done. The result can be a more accurate reflection of soil nutrient profiles, which in turn can reduce the over-application of nutrients.

To meet the intent of Principle #6, Rehabilitation and Reclamation, the CNG program participated in the following activities:

- The *Pasture Renovation* project looks at mechanical and other means for improving pasture performance. The project also investigates the best methods for renovating and rehabilitating pasture land.

To meet the intent of Principle #7, Global Responsibility, the CNG program participated in the following activities:

- The CNG program encourages local solutions to problems and builds capacity in local organizations.

- Some CNG projects, such as *Integrated Control of Forage Legume Diseases* have served as models for programs in other areas. These made-in-Manitoba programs then can have a broader impact on agricultural sustainability.

- Although the CNG program does not fund direct research and development projects, it provides an important link in the application of new techniques and technologies. CNG projects help make the link between what is scientifically feasible and what is practical in an agricultural setting. This helps ensure continuous improvement in agricultural practice and also provides important practical feedback on scientific research.

7 (b) Agricultural Sustainability Initiative

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	1,075.5		1,118.5	(43.0)	
TOTAL EXPENDITURES	1,075.5		1,118.5	(43.0)	

Grant to University of Manitoba (7c)

The objective of the University of Manitoba grant is to support Faculty of Agricultural & Food Sciences research, with projects primarily aimed at enhancing the productivity and growth of Manitoba's agriculture and food sector. The grant financially assists the Glenlea Research Station and research projects conducted by the Faculty.

Manitoba Agriculture and Food funding represents a significant proportion of total government and corporate contributions for research activities of the Faculty. Various departments within the Faculty received grant monies to assist in their research activities. The Department's grant is important in supporting the Faculty's research aimed at diversifying and sustaining Manitoba's agriculture and food industry.

The Department's grant is a valuable resource to the Faculty in assisting to attract additional outside funding for agricultural research. More specifically, the Department grant serves as a valuable leverage factor in attracting additional resource commitments from other organizations.

7 (c) Grant to the University of Manitoba

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	768.3		768.3	-	
TOTAL EXPENDITURES	768.3		768.3	-	

Grant to the Prairie Agricultural Machinery Institute (7d)

The Department provides financial support to the Prairie Agricultural Machinery Institute (PAMI) for conducting agricultural research, development, and testing of farm equipment and technology aimed at enhancing the productivity and income of Manitoba's agricultural producers. PAMI operates out of Portage la Prairie, Manitoba and Humboldt, Saskatchewan. Financial support is provided through an agreement between the Province of Manitoba and the Province of Saskatchewan.

Under the terms of this agreement, Manitoba provides an annual grant of $332,500 to support PAMI activities.

PAMI applies technology as a tool for economic development through client-driven activities. These activities support Manitoba's priorities for international competition, diversification and value-added processing, livestock production, risk management, environment production, environment protection, and crop and farm safety.

Through its practical research and development, PAMI plays an important role in technology transfer to assist producers and the industry to improve their operations.

Sustainable Development

PAMI continues to offer services in sustainable management practices including: a livestock watering guide that assists producers to plan livestock watering strategies; conservation tillage practices that reduce the loss of soil moisture; manure management projects demonstrating the benefits of injecting swine manure into grasslands; research and development of hay and forage management strategies; and the fabrication and assessment of organic cropping systems.

7 (d) Grant to the Prairie Agricultural Machinery Institute

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	332.5		332.5	-	
TOTAL EXPENDITURES	332.5		332.5	-	

Agriculture Disaster Aid Programming (8)

The main objective of Agriculture Disaster Aid Programming is to provide assistance, through national farm income disaster programs, to Manitoba producers facing dramatic income declines.

Canadian Farm Income Program (8a)

The objective of the Canadian Farm Income Program (CFIP) is to provide Manitoba farmers with income support during periods when their incomes are significantly reduced due to factors beyond their managerial control. CFIP assistance is provided when a farmer's income (gross margin) drops below 70 percent of his or her historical average. The CFIP agreement provides coverage for a farmer's 2000 to 2002 tax years.

The Province of Manitoba pays 40 percent of the administration costs and 40 percent of the payments to farmers. The federal government covers the remaining costs.

The Manitoba Government's contribution to CFIP for the farmer's 2002 tax year is recorded in the 2002/2003 fiscal year. For the 2002 tax year, farmers can apply for CFIP assistance until October 1, 2003. Payment levels will not be available for the 2002 tax year until processing of the applications are completed.

For the 2001 tax year, 1,634 farmers in Manitoba have received a CFIP payment. Total payments were $39.7 million (averaging $24,147 per farmer). The Manitoba government's share of this support is $16 million.

8(a) Canadian Farm Income Program

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	21,150.0		21,150.0	-	
TOTAL EXPENDITURES	21,150.0		21,150.0	-	

Amortization of Capital Assets (9)

The main objective of Amortization of Capital Assets is to provide for costs related to capital assets.

Amortization and Software Licences Related to Capital Assets (9A, 9B)

Standard accounting practices in accordance with the Canadian Institute of Chartered Accountants require expenditures on tangible capital assets be amortized over the useful life of the asset. The cost of the capital assets are recorded in Capital Investment (Part B) and amortization on a straight line basis over the periods of service provided by the assets is included as an operating expense (Part A). A half-year's worth of amortization is recorded on assets acquired or disposed of during the year. Tangible capital assets acquired during the year, with a value less than the accepted capitalization limit, were expensed in their respective operating areas.

The department's tangible capital assets include machinery and equipment, as well as the department's share of the costs related to the Desktop Management and Better Methods Initiatives. These assets are amortized over the following period:

Machinery and Equipment	**10 Years**
Desktop Management Initiative	**Various periods ranging between 4 to 10 years**
Better Methods Initiative	**15 Years**

9(a) Desktop Services

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
Other Expenditures:					
(1) Amortization Expense - Hardware and Transition	331.9		331.2	0.7	
(2) Amortization Expense - Enterprise Software	55.5		59.3	(3.8)	
(3) Enterprise Software Licenses	131.0		131.0	-	
TOTAL EXPENDITURES	518.4		521.5	(3.1)	

9(b) Amortization Expense

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	240.8		235.0	5.8	
TOTAL EXPENDITURES	240.8		235.0	5.8	

Interest Expense (9C)

Interest costs on borrowings related to investments in tangible capital assets are charged to the department based on the average net book value for the year. A half-year's worth of interest is recorded on assets acquired or disposed off during the year.

The capital asset purchases are recorded in Part B – Capital Investment. For more information on tangible capital assets see Votes 9A and 9B.

9(c) Interest Expense

Expenditures by Sub-Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTEs	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	25.8		26.0	(0.2)	
TOTAL EXPENDITURES	25.8		26.0	(0.2)	

PART B

CAPITAL INVESTMENTS

INFORMATION

Part B – Capital Investment

Capital investment provides for the acquisition of equipment. For more information on Tangible Capital Assets and their amortization see Vote 9.

Part B - Capital Investment

	Actual 2002/2003 $(000's)	Estimate 2002/2003 FTE	Estimate 2002/2003 $(000's)	Variance Over / (Under)	Expl. No.
Capital Investment	148.0	-	150.0	(2.0)	
TOTAL	148.0	-	150.0	(2.0)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2003 with comparative figures for the previous fiscal year

Actual 2002/2003 $(000's)	Actual 2001/2002 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-1 Administration and Finance				
28.4	28.0	0.4		(a) Minister's Salary	28.4	28.4	-	
				(b) Executive Support:				
438.6	469.7	(31.1)		(1) Salaries and Employee Benefits	438.6	513.5	(74.9)	
62.3	64.0	(1.7)		(2) Other Expenditures	62.3	62.6	(0.3)	
45.0	45.8	(0.8)		(3) Policy Studies	45.0	71.2	(26.2)	
				(c) Financial and Administrative Services:				
801.2	632.0	169.2		(1) Salaries and Employee Benefits	801.2	802.8	(1.6)	
378.8	400.3	(21.5)		(2) Other Expenditures	378.8	428.3	(49.5)	
				(d) Information Technology Services:				
451.3	396.9	54.4		(1) Salaries and Employee Benefits	451.3	442.6	8.7	
74.8	68.3	6.5		(2) Other Expenditures	74.8	72.4	2.4	
				(e) Human Resource Management Services:				
261.0	215.2	45.8		(1) Salaries and Employee Benefits	261.0	283.4	(22.4)	
35.6	46.2	(10.6)		(2) Other Expenditures	35.6	46.8	(11.2)	
2,577.0	2,366.4	210.6		Total 03-1	2,577.0	2,752.0	(175.0)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2003 with comparative figures for the previous fiscal year

Actual 2002/2003 $(000's)	Actual 2001/2002 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-2 Risk Management & Income Support Programs				
				(a) Manitoba Crop Insurance Corporation				
3,715.1	3,987.9	(272.8)		(1) Administration	3,715.1	4,172.5	(457.4)	*
27,978.1	22,887.8	5,090.3	1	(2) Premiums	27,978.1	24,922.0	3,056.1	*
1,114.0	834.1	279.9	2	(3) Wildlife Damage Compensation	1,114.0	1,223.0	(109.0)	
22,702.5	19,511.9	3,190.6	3	(b) Net Income Stabilization Account	22,702.5	21,960.0	742.5	*
55,509.7	47,221.7	8,288.0		Total 03-2	55,509.7	52,277.5	3,232.2	
5,643.9	5,658.0	(14.1)		**03-3 Manitoba Agricultural Credit Corporation**	5,643.9	6,592.5	(948.6)	*
5,643.9	5,658.0	(14.1)		Total 03-3	5,643.9	6,592.5	(948.6)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2003 with comparative figures for the previous fiscal year

Actual 2002/2003 $(000's)	Actual 2001/2002 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-4 Agricultural Development and Marketing				
				(a) Marketing and Farm Business Management:				
1,722.2	1,792.2	(70.0)		(1) Salaries and Employee Benefits	1,722.2	1,869.4	(147.2)	
1,187.6	1,262.5	(74.9)		(2) Other Expenditures	1,187.6	1,268.1	(80.5)	
358.6	353.4	5.2		(3) Agricultural Societies Grant Assistance	358.6	368.4	(9.8)	
42.9	42.8	0.1		(4) Other Grant Assistance	42.9	42.8	0.1	
				(b) Animal Industry:				
1,774.4	1,721.5	52.9		(1) Salaries and Employee Benefits	1,774.4	1,886.6	(112.2)	
846.1	1,156.3	(310.2)	4	(2) Other Expenditures	846.1	531.0	315.1	*
				(c) Veterinary Services:				
2,062.9	1,939.5	123.4		(1) Salaries and Employee Benefits	2,062.9	2,007.0	55.9	
937.6	893.7	43.9		(2) Other Expenditures	937.6	876.2	61.4	
470.7	467.1	3.6		(3) Grant Assistance - Operating	470.7	471.0	(0.3)	
300.0	299.7	0.3		(4) Grant Assistance - Capital	300.0	300.0	-	
				(d) Soils & Crops:				
2,881.9	2,782.2	99.7		(1) Salaries and Employee Benefits	2,881.9	3,004.3	(122.4)	
902.7	975.0	(72.3)		(2) Other Expenditures	902.7	1,023.7	(121.0)	
209.0	567.9	(358.9)	5	(e) Irrigation Development	209.0	1,072.5	(863.5)	*
1,507.5	1,321.5	186.0		(f) Food Development Centre	1,507.5	1,764.4	(256.9)	*
15,204.1	15,575.3	(371.2)		Total 03-4	15,204.1	16,485.4	(1,281.3)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2003 with comparative figures for the previous fiscal year

Actual 2002/2003 $(000's)	Actual 2001/2002 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-5 Regional Agricultural Services				
				(a) Northwest Region:				
2,309.1	2,295.1	14.0		(1) Salaries and Employee Benefits	2,309.1	2,324.6	(15.5)	
803.0	832.0	(29.0)		(2) Other Expenditures	803.0	826.5	(23.5)	
				(b) Southwest Region:				
2,469.4	2,500.8	(31.4)		(1) Salaries and Employee Benefits	2,469.4	2,542.0	(72.6)	
707.9	701.9	6.0		(2) Other Expenditures	707.9	721.1	(13.2)	
				(c) Central Region:				
2,210.7	2,133.9	76.8		(1) Salaries and Employee Benefits	2,210.7	2,509.8	(299.1)	*
662.1	710.9	(48.8)		(2) Other Expenditures	662.1	689.8	(27.7)	
				(d) Eastern/Interlake Region:				
3,271.6	3,363.8	(92.2)		(1) Salaries and Employee Benefits	3,271.6	3,457.0	(185.4)	
1,143.3	1,198.6	(55.3)		(2) Other Expenditures	1,143.3	1,238.0	(94.7)	
				(e) Agricultural Crown Lands:				
630.6	645.9	(15.3)		(1) Salaries and Employee Benefits	630.6	654.7	(24.1)	
252.9	282.6	(29.7)		(2) Other Expenditures	252.9	275.9	(23.0)	
14,460.6	14,665.5	(204.9)		Total 03-5	14,460.6	15,239.4	(778.8)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2003 with comparative figures for the previous fiscal year

Actual 2002/2003 $(000's)	Actual 2001/2002 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-6 Policy and Economics				
				(a) Economics:				
1,212.6	1,176.4	36.2		(1) Salaries and Employee Benefits	1,212.6	1,242.3	(29.7)	
280.2	310.7	(30.5)		(2) Other Expenditures	280.2	373.9	(93.7)	
				(b) Boards and Commissions Support Services:				
385.1	353.3	31.8		(1) Salaries and Employee Benefits	385.1	431.8	(46.7)	
524.5	531.2	(6.7)		(2) Other Expenditures	524.5	604.6	(80.1)	
2,402.4	2,371.6	30.8		Total 03-6	2,402.4	2,652.6	(250.2)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2003 with comparative figures for the previous fiscal year

Actual 2002/2003 $(000's)	Actual 2001/2002 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-7 Agriculture Research and Development				
700.0	500.0	200.0	6	(a) Agri-Food Research and Development Initiative	700.0	1,000.0	(300.0)	*
1,075.5	1,137.6	(62.1)		(b) Agricultural Sustainability Initiative	1,075.5	1,118.5	(43.0)	
768.3	768.3	-		(c) Grant to the University of Manitoba	768.3	768.3	-	
332.5	332.5	-		(d) Grant to the Prairie Agricultural Machinery Institute	332.5	332.5	-	
2,876.3	2,738.4	137.9		Total 03-7	2,876.3	3,219.3	(343.0)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the fiscal year ended March 31, 2003 with comparative figures for the previous fiscal year

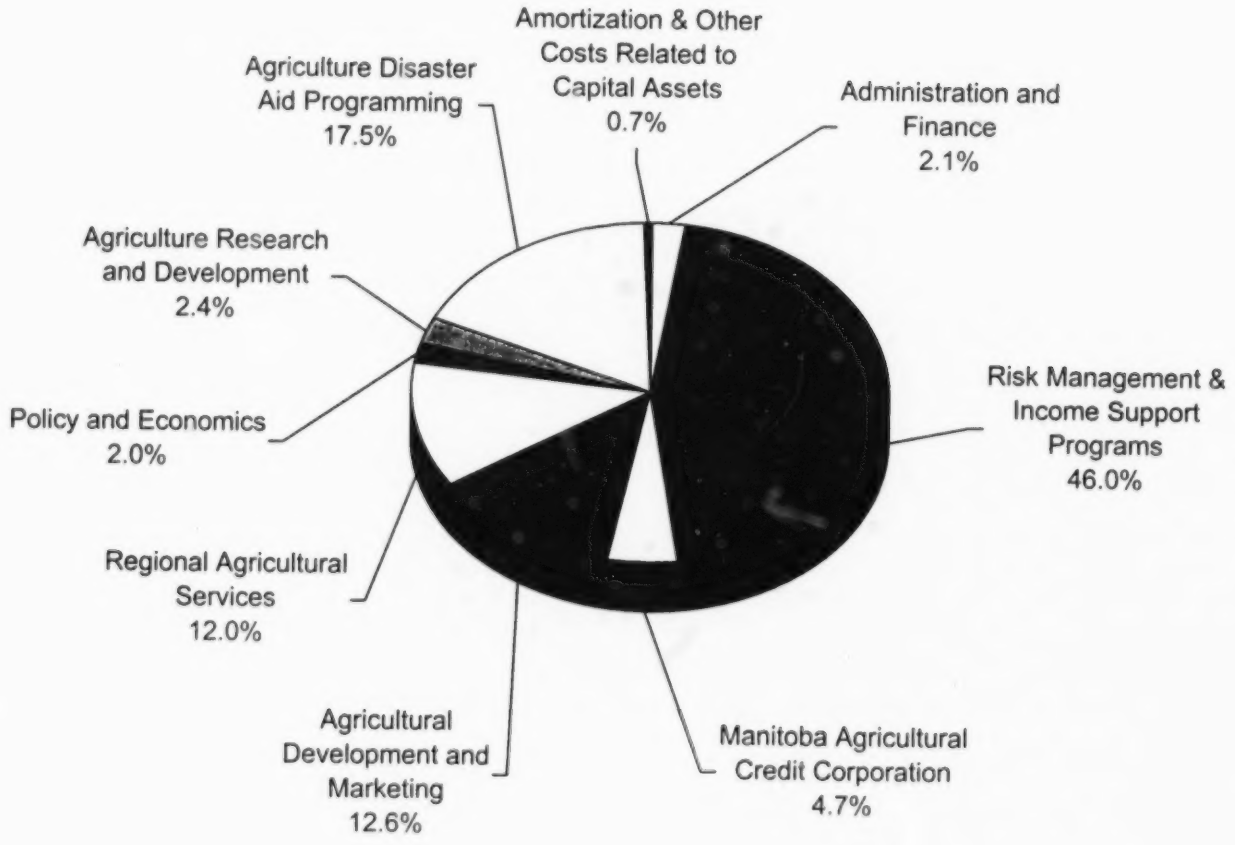
Actual 2002/2003 $(000's)	Actual 2001/2002 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				03-8 Agriculture Disaster Aid Programming				
21,150.0	25,400.0	(4,250.0)	7	(a) Canadian Farm Income Program	21,150.0	21,150.0	-	
21,150.0	25,400.0	(4,250.0)		Total 03-8	21,150.0	21,150.0	-	
				03-9 Amortization and Other Costs Related to Capital Assets				
	578.2	(578.2)		(a) Desktop Services				
331.9		331.9		(1) Amortization Expense - Hardware and Transition	331.9	331.2	0.7	
55.5		55.5		(2) Amortization Expense - Enterprise Software	55.5	-	55.5	
131.0		131.0		(3) Enterprise Software Licenses	131.0	59.3	71.7	
240.8	231.5	9.3		(b) Amortization Expense	240.8	521.5	(280.7)	
25.8	24.4	1.4		(c) Interest Expense	25.8	-	25.8	
785.0	834.1	(49.1)		Total 03-9	785.0	912.0	(127.0)	
120,609.0	116,831.0	3,778.0		**TOTAL: DEPARTMENT OF AGRICULTURE & FOOD**	120,609.0	121,280.7	(671.7)	

* Explanations for these variances can be found in the respective sub-appropriation detail.

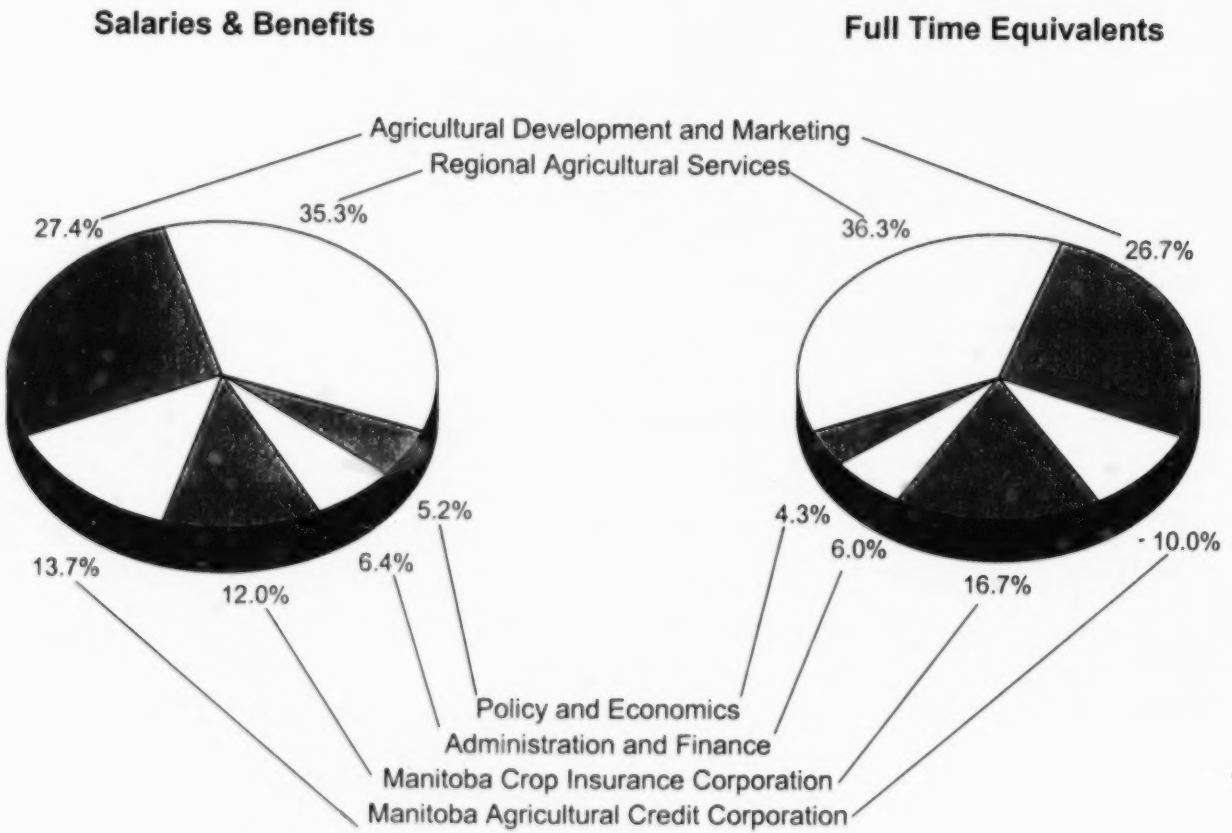
Explanation Number

1. *The increase in Premiums of $5,090.3 was mainly due to higher insured acres, selected coverage levels and crop values and a change in crop mix to higher value crops.*
2. *The increase in Wildlife Damage Compensation of $279.9 was mainly due to increased claim activity and average cost per claim.*
3. *The increase in Net Income Stabilization Account of $3,190.6 was mainly due: a) increases in matchable deposits due to higher eligible net sales with higher grain sales and the increase in participation due to the federal bridging assistance to smooth transition into the new NISA program under the Agricultural Policy Framework; b) increases in bonus interest as account balances continue to grow with more funds being deposited than withdrawn.*
4. *The decrease in Animal Industry ($310.2) was due to a larger portion of the deficit in the Elk Management Fund covered in the prior year ($631.3) and the residual provided ($349.0) for this year as the elk fund is being wound down.*
5. *The decrease in Irrigation Development of ($358.9) was mainly due to reduced activity resulting from producer hesitance in planning new projects in anticipation of a new infrastructure support program.*
6. *The increase in the Agri-Food Research and Development Initiative of $200.0 was due to the prior year's government-wide fiscal restraints and a 2002/03 decision to handle outstanding applications.*
7. *The decrease in the Canadian Farm Income Program of ($4,250.0) was due to improved incomes particularly in the grains and oilseeds sector which experienced favorable production and strong prices in 2002.*

Department of Agriculture and Food
Distribution by Main Appropriation
2002/2003 Expenditures


Amortization & Other Costs Related to Capital Assets 0.7%
Agriculture Disaster Aid Programming 17.5%
Administration and Finance 2.1%
Agriculture Research and Development 2.4%
Risk Management & Income Support Programs 46.0%
Policy and Economics 2.0%
Regional Agricultural Services 12.0%
Agricultural Development and Marketing 12.6%
Manitoba Agricultural Credit Corporation 4.7%

Department of Agriculture and Food
Percentage Distribution of Salaries & Employee Benefits And Full Time Equivalents - 2002/2003



Appendix A
Manitoba Agriculture and Food
Part B - Capital Investment Summary

for the fiscal year ended March 31, 2003 with comparative figures for the previous fiscal year

Actual 2002/2003 $(000's)	Actual 2001/2002 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Appropriation	Actual 2002/2003 $(000's)	Estimate 2002/2003 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
148.0	55.8	92.2	1	**Capital Investment**	148.0	150.0	(2.0)	
148.0	55.8	92.2		Total	148.0	150.0	(2.0)	

1. *The increase in Capital Investment of $92.2 was due to the acquisition of more assets and relatively more costly assets in 2002/03 as compared to 2001/02.*

Appendix A
Manitoba Agriculture and Food
Revenue Summary By Source

for the fiscal year ended March 31, 2003 with comparative figures for the previous fiscal year

Actual 2002/2003 $(000's)	Actual 2001/2002 $(000's)	Increase/ (Decrease) $(000's)	Expl. No.	Source	Actual 2002/2003 $(000's)	Estimate 2002/2003 $(000's)	Variance Over/(Under) $(000's)	Expl. No.
				CURRENT OPERATING PROGRAMS:				
				Government of Canada:				
2.4	2.0	0.4		Rabies Indemnity	2.4	7.5	(5.1)	
1,076.0	158.9	917.1	1	Disaster Aid Program Admin. Cost Recovery	1,076.0	-	1,076.0	4
1,078.4	160.9	917.5		Sub-Total	1,078.4	7.5	1,070.9	
				Other Revenue:				
2,384.8	2,261.6	123.2	2	(a) Fees	2,384.8	2,223.2	161.6	5
73.3	375.3	(302.0)	3	(b) Sundry	73.3	101.9	(28.6)	
2,458.1	2,636.9	(178.8)		Sub-Total	2,458.1	2,325.1	133.0	
3,536.5	2,797.8	738.7		Total Current Operating Programs	3,536.5	2,332.6	1,203.9	
-	-	-		REVENUES RELATED TO CAPITAL:	-	-	-	
3,536.5	2,797.8	738.7		Total Revenue	3,536.5	2,332.6	1,203.9	

Explanation Number

1. *The net increase in Government of Canada – Disaster Aid Admin Cost Recovery of $917.1 was mainly due to the following:*
   a) $ 994.7 *Credit given for the 1999/2000 MFDAP program by the federal government upon finalization of their calculations for the cost of the program.*
   b) ($ 77.6) *Decrease in provincial administration expenditures eligible for 60% federal sharing from the delivery of Agriculture Disaster Aid Programming as producers become more familiar with the program.*
2. *The increase in Fee Revenue of $123.2 was mainly due to the increase in demand for Veterinary Diagnostic services resulting primarily from the expanding livestock industry.*
3. *The decrease in Sundry Revenue of ($302.0) was mainly due to the following:*
   a) ($ 198.8) *Recording of interest revenue in 2001/02 on the provincial share of the Gross Revenue Insurance Program (GRIP) surplus.*
   b) ($ 80.5) *Decrease in interest revenue due to the province for Canada-Manitoba Adjustment Programs 1 and 2 as settlements are made on the programs.*
4. *The variance over estimate of $1,076.0 was primarily due to the following:*
   a) $ 81.3 *Federal government's 60% share of eligible provincial administration expenditures for the delivery of Agriculture Disaster Aid Programming.*
   b) $ 994.7 *Credit given for the 1999/2000 MFDAP program by the federal government upon finalization of their calculations for the cost of the program.*
5. *The variance over estimate of $161.6 was primarily due to a higher than anticipated demand for Veterinary Diagnostic Services resulting primarily from the expanding livestock industry.*

Appendix B
Department of Agriculture and Food
Five Year Expenditure and Staffing Summary by Main Appropriation

for the fiscal years ending March 31, 1999 to March 31, 2003

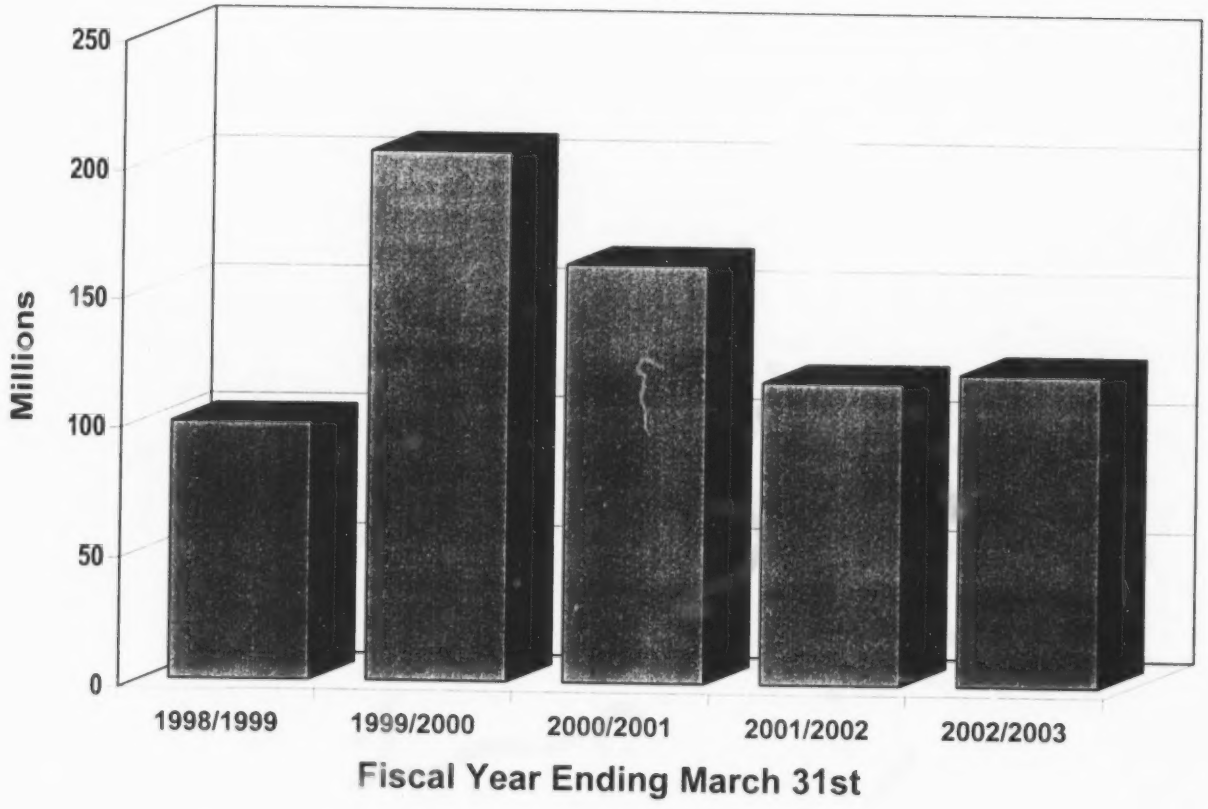
Main Appropriation		1998/1999		1999/2000		2000/2001		2001/2002		2002/2003	
		FTEs	$(000's)	FTEs	$(000's)	FTEs	$(000's)	FTEs	$(000's)	FTEs	$(000's)
		Actual / *Adjusted Expenditures									
03-1 Administration & Finance		36.39	2,488.5	36.39	2,557.6	36.39	2,487.2	36.39	2,366.4	36.39	2,577.0
03-2 Risk Management and Income Support Programs	(1)	88.00	52,204.3	98.00	51,236.9	100.00	49,577.3	101.00	47,221.7	101.00	55,509.7
03-3 Manitoba Agricultural Credit Corporation		50.00	7,536.3	50.00	8,794.4	61.00	5,181.1	61.00	5,658.0	61.00	5,643.9
03-4 Agricultural Development & Marketing		157.73	13,305.3	157.73	13,954.8	162.73	15,337.5	161.73	15,575.3	161.73	15,204.1
03-5 Regional Agricultural Services		217.87	13,236.6	217.87	14,025.7	219.87	14,384.9	219.87	14,665.5	219.87	14,460.6
03-6 Policy & Economics		26.19	2,092.0	26.19	2,363.4	26.19	2,437.1	26.19	2,371.6	26.19	2,402.4
03-7 Agriculture Research and Development		-	8,785.9	-	4,801.4	-	3,358.0	-	2,738.4	-	2,876.3
03-8 Agriculture Disaster Aid Programming		-	-	-	107,108.5	-	68,400.0	-	25,400.0	-	21,150.0
03-9 Amortization of Capital Assets	(2)	-	-	-	725.8	-	806.0	-	834.1	-	785.0
Total: Department of Agriculture and Food		576.18	99,648.9	586.18	205,568.5	606.18	161,969.1	606.18	116,831.0	606.18	120,609.0

* Adjusted figures reflect historical data on a comparable basis, in those appropriations affected by a re-organization, during the years under review.

Note: (1) In 1997 the Net Income Stabilization Account program was changed for "automatic" deeming which effectively removed the requirement for producers to make matchable deposits to receive government funding. It has been recently determined that there is a corresponding $19 million increase in the Province's liability at March 31, 2002 which is recorded as an increase to the accumulated deficit.

(2) Starting with 2002/03, the interest costs related to tangible capital assets being amortized and Part B – Capital Investment are being recovered from departments by Finance. These costs are reflected in the Public Debt Appropriation in the Department of Finance with an offsetting recovery from other (departmental) appropriations.

Department of Agriculture and Food
Five Year Expenditure History
For Years Ending March 31, 1999 to March 31, 2003



Appendix C
Department of Agriculture and Food
Reconciliation Statement

DETAILS	2002/2003 ESTIMATES $(000's)
2002/2003 MAIN ESTIMATES	121,151.2
ALLOCATION OF FUNDS :	-
2002/2003 ESTIMATE	**121,151.2**

Appendix D

Manitoba Agriculture and Food
Statutory Responsibilities of the Minister of Agriculture and Food

The Agriculture Credit Corporation Act ..... A 10
The Agricultural Producers' Organization Funding Act ..... A 18
The Agricultural Productivity Council Act ..... A 20
The Agricultural Societies Act ..... A 30
The Department of Agriculture Act ..... A 40
The Agrologists Act ..... A 50
The Animal Care Act ..... A 84
The Animal Diseases Act ..... A 85
The Animal Liability Act ..... A 95
The Bee Act ..... B 15
The Cattle Producers Association Act ..... C 25
The Coarse Grain Marketing Control Act ..... C 140
The Crop Insurance Act ..... C 310
The Crown Lands Act [Sections 7.2 (2) to 7.6 and sections 6, 7, 10, 12(1), 14, 16, 17, 18, 21, 23, and 24 to 28 both inclusive, insofar as they relate to the administration of Crown Lands which may be designated by the Minister of Conservation as Agricultural Crown Lands, and Agricultural Crown Lands Grazing and Hay Permits Regulation (Manitoba Revised Regulation 288/88) and Forage Leases Regulation (46/88 R)] ..... C 340
The Dairy Act ..... D 10
The Family Farm Protection Act ..... F 15
The Farm Income Assurance Plans Act ..... F 30
The Farm Lands Ownership Act ..... F 35
The Farm Machinery and Equipment Act ..... F 40
The Farm Practices Protection Act ..... F 45
The Farm Products Marketing Act ..... F 47
The Fruit and Vegetable Sales Act ..... F 180
The Horse Racing Regulation Act ..... H 100
The Land Rehabilitation Act ..... L 50
The Livestock and Livestock Products Act ..... L 170
The Livestock Industry Diversification Act ..... L 175
The Margarine Act ..... M 30
The Milk Prices Review Act ..... M 130
The Noxious Weeds Act ..... N 110
The Pesticides and Fertilizers Control Act ..... P 40
The Plant Pests and Diseases Act ..... P 90
[Except that portion of clause 16(c) that pertains to arborists and clause 16 (i)]
The Seed and Fodder Relief Act ..... S 80
The Veterinary Medical Act ..... V 30
The Veterinary Science Scholarship Fund Act ..... V 40
The Veterinary Services Act ..... V 50
The Wildlife Act [Section 89(e) that applies to compensation for damage to crops caused by wildlife as it pertains to big game and migratory waterfowl] ..... W 130
The Women's Institutes Act ..... W 180

Appendix E
Manitoba Agriculture and Food
Elk Management Fund

Balance Sheet

As at March 31, 2003

(with 2002 figures for comparison)

		2003	2002
Assets - Note 1, 3, 5			
	Funds on deposit with the Province	$ 250,273	$ 163,623
Liabilities and Fund Balance			
	Contractor liability - Note 5	250,000	163,623
	Loan Advance from the Province - Note 4, 6	1,730,820	1,381,830
		1,980,820	1,545,453
	Opening Accumulated Fund Balance - Note 2,4	(1,381,830)	(750,572)
	Current Year's Deficit	($348,717)	(631,258)
	Ending Accumulated Fund Balance - Note 2,4	($1,730,547)	($1,381,830)
		$ 250,273	$ 163,623

Statement of Revenue and Expenditures

For the Year Ended March 31, 2003

(with 2002 figures for comparison)

		2003	2002
Revenue - Note 3			
	License Fees	5,600	3,300
Expenditures - Note 1			
	Holding	72,021	
	Feed	55,524	
	Testing	4,801	
	Veterinary	3,814	
	Administration	40,550	68,443
	Interest	62,457	47,369
	Total Expenditures	239,167	115,812
	Less: Recovery of Expenditures	31,500	
	Net Expenditures	207,667	115,812
Excess of Expenditures over Revenue before the following:		(202,067)	(112,512)
Settlement of Claim - Note 5		(146,650)	
Excess of Expenditures over Revenue before Extraordinary Loss		(348,717)	(112,512)
Extraordinary loss			
Loss on Recovery of Expenditures			(96,196)
Loss on Writedown of Inventory to Current Net Realizable Value			(422,550)
Net Expenditures over Revenue after Extraordinary Loss		($348,717)	($631,258)

Appendix E
Manitoba Agriculture and Food
Elk Management Fund

Notes to Financial Statements
For the Year Ended March 31, 2003

1. **Significant Accounting Policies**
   - (a) The financial statements of the fund are prepared using the accrual basis of accounting.
   - (b) Expenditures related to the capture and holding of elk is capitalized as inventory and is expensed when the corresponding revenue, from the dispersal of the captured elk, is recognized.

2. **Nature of Fund**

The Elk Management Fund was established under the authority of the Livestock Industry Diversification Act and the Elk Game Production Regulation. The Minister established a management fund for the purpose of funding:

- (a) Programs for the protection and enhancement of elk and their habitat.
- (b) The capture of elk from the wild, and their maintenance and disposition.
- (c) Elk research programs and demonstration projects.
- (c) Costs associated with administering the Act.

Activities of the Elk Management Fund have been wound down as at March 31, 2003 with the exception of the contractor liability payment, which will be made with the Funds on Deposit. The balance of the Funds on Deposit will be returned to the Province in the 2003/04 Fiscal Year.

3. **Sale of Elk**

There was no elk sale for the fiscal period just ended. The proceeds from the elk sale held in March, 2002 have been set aside to be included as part of the expected obligations with MFNEBC.

4. **Loan Advance Province of Manitoba**

Interest is charged at prime plus two per cent per annum. Repayment obligation of the advances ($1,730,820) received from the Province is expected to be removed. The loan advance receivable within the Consolidated Fund of the Province would be written off against the contra valuation allowance account.

5. **Contractor Liability**

This liability is a result of obligations the Fund has incurred as a result of settlement with MFNEBC and payment will be made in the next fiscal year.

6. **Valuation Allowance**

Any provincial expenditure (recovery) entry for a valuation allowance is recorded in the Department's appropriation - Animal Industry (4B).

Includes 15% post-consumer waste